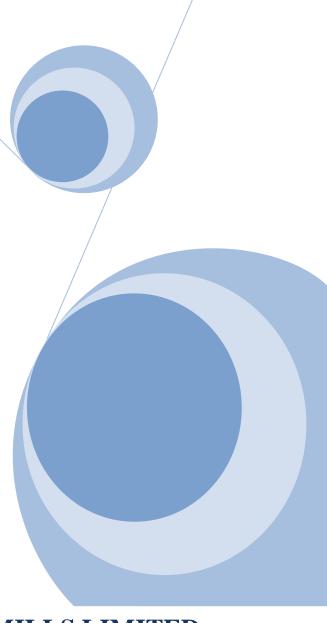
# 38<sup>TH</sup> Annual Report 2019-2020



SPS STEELS ROLLING MILLS LIMITED

#### **Board of Directors:**

Mr. Deepak Kumar Agarwal Mr. Ramabatar Agarwal Mr. Sanjay Kumar Chowdhary

Mrs. Priyanka Goenka Mr. Ajit Kumar Nath Managing Director Executive Director

Whole Time Director (w.e.f 18 May 2020) Independent Director (w.e.f 20 June 2019) Independent Director (w.e.f 27 December 2019)

**Chief Financial Officer** 

Mr. Binod Kumar Agarwal (w.e.f 20 June 2019)

**Company Secretary** 

Mr. Ashutosh Sharma (w.e.f 20 June 2019)

**Statutory Auditors** 

M/S. Uttam Agarwal & Associates Chartered Accountants,

72, Cotton Street, 2<sup>nd</sup> Floor

Kolkata - 700007

**Cost Auditors** 

M/S. B.G. Chowdhury & Co, Cost Accountants, 11/47A Panditia Road, Kolkata-700028

**Bankers** 

Punjab National Bank Large Corporate Branch

44, Park Street, Kolkata-700016

**Registered Office:** 

"Diamond Heritage" 16, Strand Road

5th Floor, Room No H 523 A

Kolkata-700001

Telefax- 033-6625 5252 Website- www.spsgroup.co.in

Email- compliance@shakambharigroup.in CIN- L51909WB198111PLC034409

**Corporate Office:** 

"Diamond Prestige"

41 A, A.J.C Bose Road, 7th Floor

Kolkata-700017

Works

Dr. Zakir Hussain Avenue, G.T Road (Indo American More) Durgapur, Dist. West Bengal-713206

**Registrar & Share Transfer Agent** 

M/S. Niche Technologies Pvt. Ltd.

3A, Auckland Place,7th Floor, Room No. 7A & 7B

Kolkata-700017, West Bengal,

Tele- 033-2280-6616, 033-2280-6617 Website- https://nichetechpl.com/ Email- nichetechpl@nichetechpl.com

# **SPS Steels Rolling Mills Limited**

Regd. Office: - "Diamond Heritage", 16, Strand Road, 5th Floor, Room No H 523 A, Kolkata-700001 Corporate Office: "Diamond Prestige", 41 A, A.J.C Bose Road, 7th Floor, Kolkata-700017 Website- www.spsgroup.co.in, E-Mail: compliance@shakambharigroup.in, Phone: 033-6625 5252 CIN - L51909WB198111PLC034409

#### **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 38<sup>th</sup> Annual General Meeting of SPS Steels Rolling Mills Limited will be held on Wednesday, the 30th day of September, 2020 at 03.00 P.M at the Corporate Office of the Company at Diamond Prestige ,41 A A.J.C Bose Road,7th Floor, Room No.701, Kolkata-700017 to transact the following business:

#### **ORDINARY BUSINESS:**

#### Item No 1. Adoption of Audited Standalone Financial Statements.

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 and the reports of the Directors' and Auditors' thereon.

#### Item No 2. Re-Appointment of Director.

To appoint a Director in place of Mr. Sanjay Kumar Chowdhary (DIN-08402623) who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

### Item No 3. Appointment of Mr. Ajit Kumar Nath (DIN 08641824) as an Independent Director of the Company.

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and relevant Rules made thereunder, read with Schedule IV to the Act [including any statutory modification(s) or reenactment(s) thereof, for the time being in force] and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Ajit Kumar Nath (DIN 08641824), who was appointed as an Additional Director (Non-Executive and Independent) of the Company with effect from 27 December, 2019 and who holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying his intention to propose Mr. Ajit Kumar Nath as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company, for a term of 5(five)consecutive years, with effect from 27 December, 2019 and shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary and/or incidental in this regard."

#### Item No 4. Approval for Related Party Transactions.

To consider and if thought fit, to pass the following Resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") as amended, and other provisions of law, as applicable for the time being, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) for entering into transactions involving sale, purchase or supply of any goods or material and/or availing or rendering of any services with a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, up to a maximum aggregate value of Rs. 900,00,00,000 (Rupees Nine Hundred Crore Only) during any financial year, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

### Item No 5. Appointment of Mr. Sanjay Kumar Chowdhary (DIN-08402623) as a Whole Time Director.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the company be and is hereby accorded to the appointment of **Mr. Sanjay Kumar Chowdhary** as a Whole-Time Director of the Company for a period of (Three) years w.e.f. 18th May 2020 to 17th May 2023 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit;

**"RESOLVED FURTHER THAT** the Board be and is here by authorised to do all such acts, deeds matter and things as may be necessary, proper expedient or desirable to give effects this Resolutions and / or to make modification as may be deemed to be in the best interest of the company."

### Item No 6. To Increase borrowing powers of the board and authorization limit to secure the borrowings

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company or Committee thereof (the "Board") to borrow such sum of moneys, from time to time, at its discretion, with or without security, and upon such terms and conditions as the Board may think fit, for the purpose of business of the Company, such that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any point of time shall not exceed a sum of Rs. 1,000.00 crore (Rupees One Thousand Crore Only);

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### Item No 7. Authority to Give Loans and Make Investments in Other Bodies Corporate

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 185, 186 of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company the consent of the Company be and is hereby accorded to the Board of Directors of the Company to make loan(s,), including any loan represented by a book debt and / or give guarantee(s) / provide any security(ies) in connection with the loan(s) made or loan taken by any entity ,subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) or give any guarantee or provide any security in connection with any loan taken by any entity or which is a subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) in their absolute discretion deem beneficial and in the interest of the Company in excess of the 60% of the aggregate paid-up share capital and free reserves and securities premium account or 100% of the aggregate of free reserves and securities premium account of the Company as per the limits prescribed under Section 186 in any other bodies corporate as the Board of Directors may decide from time to time as beneficial and in the interest of the Company subject to the maximum aggregate amount not exceeding Rs. 10,00,00,000 (Rupees Ten Crores) at any time together with the existing loan and investments. The Company also hereby ratifies all loans and investments made in excess of limits as prescribed under section 186 of the Companies Act, 2013 and approve that loans and investments as made by the Company are as per provisions of Companies Act, 2013.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to negotiate the terms, conditions, quantum of loan, repayment, interest and other related matters for providing any loan, guarantee and securities to any of the bodies corporate and to do all such deeds and things as may be deemed expedient and necessary to give effect to this resolution."

Item No 8. Ratification of remuneration of M/s. B.G. Chowdhury & Co, Cost Accountants in Practice (Firm Registration No.: 000064), Cost Auditor of the Company, for the Financial Year 2020-21.

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Company hereby ratifies the remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only), plus applicable taxes and re-imbursement of out-of-pocket expenses, as approved by the Board of Directors and payable to M/s. B.G. Chowdhury & Co, Cost Accountants in Practice (Firm Registration No.: 000064), who are appointed as the Cost Auditors of the Company to conduct audit of the cost records maintained by the Company for the Financial Year ending 31 March, 2021.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

### Item No 9. Change/Alteration of Object Clause of the Memorandum of Association of the Company

To consider and if though fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the "Approved Resolution Plan" as passed by the "NCLT Kolkata Bench" vide No. C.P.(IB)No. 595\KB\2017 dated April 08, 2019 read along with the provisions of Section 13 of the Companies Act, 2013 ("the Act") including any modification or re-enactment thereof and other applicable provisions thereof and subject to approval of the Registrar of Companies, "West Bengal" the Main Object (The objects to be pursued by the company on its incorporation are clause) i.e. clause 3(a) and Matter necessary for furtherance of the objects i.e. clause 3(b) of the Memorandum of Association of the Company be and is hereby altered and amended as follows:

A. The existing Main Objects of Clause 3 (a) be altered by replacing the same with the following new Clause 3 (a) as under:

#### Clause 3 (a) 1:

To carry on in India or elsewhere the business of manufacturing, trading, buying, selling, marketing, exporter, importer, act as indenting agent, whole-selling agent, retailing, distributors, consignor, dealer, agents, stockists, merchants or participation in e- tender or auctions relating to all kinds and forms of steel and iron casting, iron ores, steel including mild, high carbon, spring, high speed, tool, alloy, stainless and special steel &iron, other metals and alloys, rolled and/or re-rolled products of iron and steel, including rods, bars, sheets, channels, pipes ingots, billets, joists, rods, squares, structural, tubes, poles, pipes, sheets, wires, rails, rolling materials, rollers, iron and brass founders, metal traders, galvanized steel makers, stainless steel makers, forgers, other materials made wholly or partly of iron, steel, alloys and metals required in or used for industrial, agricultural, transport, commercial domestic, building, power transmission and/or construction purpose.

### Clause 3 (a) 2:

To carry on in India or elsewhere the business of manufacturing, trading, buying, selling, marketing, export, import, act as indenting agent, whole-selling agent, retailing, consignor, distributors, dealers or participation in e- tender or auctions of lancing tube and other tubes, C.i and D.i casting, in alloys, ferrous and non-ferrous metallic and non-metallic including Ferro manganese, Ferro chromium, Ferro molybdenum, Ferro phosphorous, Ferro silicon, Ferro titanium, Ferro tungsten, Ferro vanadium, silicon manganese metal, manganese, dioxide chemicals containing manganese, pig iron, steel, coke steel scrap, lead, copper, nickel, aluminum, zinc, tin, titanium and other metals and to carry on the business of founders, moulders, casters, mechanical engineers including Railways products and manufacturers of agriculture implements and other light and heavy machinery, tool makers, brass founders, metal workers, boiler makers, mill-wrights, machinists, iron and steel converts, smiths, wood workers, builders, painters and metallurgists and to buy, sell, manufacture, export, import, repair, converters, alter, let on hire and deal in machinery, implements, rolling stock and hard ware.

B. The existing clause of Matters which are necessary for furtherance of the objects specified in Clause 3 (b) be altered in the following manner as stated hereunder:

To delete the following existing clause under Clause 3 (b)

- 1) clause xvi of page no 3
- 2) clause xviii, xix and xxi of page no 4
- 3) clause xxiv and xxv of page no 5
- 4) clause xxviii of page no 6
- 5) clause xxxii, xxxiii and xxxiv of page no 7
- 6) clause xxxviii, xxxix and xl of page no 8
- 7) clause xli, xlii, xliii and xliv of page no 9
- 8) clause xlviii and xlix of page no 10
- 9) clause lii, liii, lv and lvi of page no 11
- 10) clause lviii, lix, and lxi of page no 12

To insert the following as new clause after clause xv:

#### Clause xvi

"To carry on the business of rollers, re-rollers, iron master, steel makers, iron and steel converters, steel plate makers, iron and brass founders, metal traders, galvanized steel makers, stainless steel makers, forgers, fabricators, traders, dealers, manufacturers, sellers of iron and steel materials, ingots, other ferrous and non-ferrous metals, steel, alloy steel, steel and alloy castings of all types and descriptions in India and abroad.

#### Clause xvii

To carry on the business of manufacturing dealing importing exporting of cement and cement product.

#### Clause xviii

To carry on the business of manufacturers, processors, importers, buyers, sellers, stockiest, agents and distributors of and/or dealers in all kinds of P.V.C. and plastic products and goods, including P.V.C. pipes, sheets, linings, conduit pipes and ancillary products, resins and high density polythene products.

#### Clause xix

To carry on the business of manufactures, processors, importers, buyers, sellers, stockiest, agents and distributors of and/or dealers in metal drawing equipment, metal press working, utensils of brass, steel, aluminum and their accessories, components and spares of any kind.

#### Clause xx

To carry on the business of manufacturers, processors, importers, buyers, sellers or stockiest or otherwise dealers in precision, instruments, tools and accessories and nut bolts.

#### Clause xxi

To carry on the business of and to render services in the field of electroplating, galvanizing and anodizing.

#### Clause xxii

To carry on all or any of the business of agents, chief agents or licensed agents of company or companies and further to acquire distribution rights to act as agents of Indian and Foreign manufacturers particularly dealing in plant, machinery, tools, spares, electric goods and articles.

#### Clause xxiii

To engineer develop design, assemble, manufacture, products import and export, buy, sell and otherwise deal in mining agricultural and hardware of all kinds general fittings accessories and appliances of all description made of metal alloy glass synthetic and other fibers and chemicals and PVC compounds plastics and other materials.

#### Clause xxiv

To manage any land, building and other properties whether belonging to the company or not, collect rents and income and supply tenants and occupiers and other refreshments attendance, message, light, waiting rooms, meeting rooms, lavatories, laundry convenience electric conveniences stables and other conveniences.

#### Clause xxv

To develop, acquire, supply plans, drawings, estimates projects reports and knowhow for industries business companies services and public bodies and governments.

#### Clause xxvi

To carry on the business of engineers, researchers, technicians, designers, planners, estimator, advisors, erectors, project reporters and to supply know-how for all types of industries, business, companies, services and public bodies and government.

#### Clause xxvii

To acquire, excavate, run, explore and otherwise deal in metallic, non-metallic and mineral ores.

#### Clause xxviii

To sell, lease, surrender, hypothecate, mortgage. pledge, undertake, redeem, dispose, exchange or otherwise deal with all at any part of the property, assets, rights or undertaking of the company on any terms and conditions which may be considered expedient or desirable and for such consideration as the company may think fit and in particular for shares, debentures for securities or any other company, having objects altogether or in part similar to those of this company, and to hold, with or dispose of any consideration so received.

#### Clause xxix

To guarantee or become liable for the payment of money due and that may become due by any person, firm or Company for the performance of any obligations and to carry on and transact every kinds of guarantee and indemnity business and to undertake and execute all kinds of trusts and obligation.

#### Clause xxx

To make, accept, hold, endorse, discount, execute, issued and otherwise deal in negotiable promissory notes, drafts, handles, bill of exchange, bills of landing, warrants, debentures, securities and other negotiable or transferable instruments.

#### Clause xxxi

"To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuating fund gratuities, pensions, allowances, emoluments, bonus, profit sharing bonus, benefits or any other payment to any person who are or were at any time in the employment or service of the company or its predecessors in business or of any company which is a subsidiary of the company or is an allied to or associated with the company or with any such subsidiary or who are or were at any time Directors or officers of the company or any of such dependent or connection of any such persons and to provide for the well are of all or any of the aforesaid persons from time to time by subscribing subsiding or contributing to any institutions associations funds clubs trusts profit sharing or other schemes and by providing subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries medical and other attendances and to make payment or towards the insurance's of such persons as aforesaid and to do so any of the matter aforesaid either alone or in conjunction with any other company as aforesaid."

#### Clause xxxii

To carry on in India or elsewhere the business to generate, receive, produce, transmit, distribute, supply or otherwise to deal in electric power by establishing thermal power plant, atomic power plant, wind power plant, solar power plant, gas based power plant where gases generated from waste, husk, biomass etc or other power plants based on any source of energy as may be developed or invented in future and for this purpose to acquire concessions, facilities or licenses from electricity board, government, semi government, local and other authorities and bodies.

#### Clause xxxiii

To carry on in India or elsewhere the business of prospecting, exploring, operating and working on mines, quarries for coal, iron ore and other minerals and for this purpose survey, discover and to acquire by purchase, lease, license or otherwise from Government, Semi Government, local authorities, private bodies and other persons rights, powers and privileges for obtaining mines, quarries, deposits etc. for the accomplishment of above objects.

#### Clause xxxiv

To carry on the business of iron founders, mechanical engineers and the manufacturers, processors, re-processors, sellers and re-sellers or dealers, exporter, importers, assemblers, designers, buyers, agents, factors, builders, engineers, contractors, letters on hire, repairers, carriers, cleaners, distributors, stores and warehouses, of all types of indicators, governors, injectors, high and low pressure and other valves, wheels, carburetors, sparking plugs, field coils, armatures, dynamos, brakes, clutches, cocks, unins, chucks, stocks, dies, springs, rings, rimps, piston, chains, rivets, hinges, rear view mirror, pipes, blades and motor, battery, nails, spikes, variable and other gears, stops, metal, timber, canes, asbestos, hoods, wind and other screen shields, pumps, lamps, PVC wires and cables, cylinders, petrol tanks, chassis, mats, rims, spokes, brakes, wheel rim, filter, steering, plugs, crank cases and gearboxes and other full accessories, appliances and tool of every description whether for use in connection with automobile, aeronautics, shipping, engineering or otherwise howsoever and all kinds of straight, bent, woven, fortified, screwed and other wire work and all other allied good material, parts, utensils, compounds and accessories or requirements or otherwise deal in such products.

**"RESOLVED FURTHER THAT** necessary revision in numbering the clauses of the Memorandum of Association of the Company shall be carried out.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all the requisite, incidental, consequential steps to implement the above resolution and to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, any question, query, or doubt that may arise in this regard, and to execute/publish all such notices, deeds, agreements, papers and writings as may be necessary and required for giving effect to this resolution."

#### Item No 10. Substitution of Regulations 34 of the Article of Association of the Company

To consider and if though fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 ("the Act") including any modification or re-enactment thereof and other applicable provisions if any and subject to approval of the Registrar of Companies, "West Bengal" the consent of the Member be and are hereby accord and adopted for substitution, of regulations 34, of the regulations contained in the existing Articles of Association of the Company as follows.

The existing regulations 34 be deleted and be replaced with the following:

#### Alteration of capital

34. 1. (i) The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. The Authorised Shares Capital of the company shall be of such amount and be divided into such shares as may, from time to time provided in" clause V" of the Memorandum of Association payable in the manner as may be determine by the board of directors with power to increase, reduce, sub divide or to repay the same or divide the same into several classes.

- (ii) The company has power to:
  - a) Issue Sweat Equity Shares.
  - b) To buy back its own shares.
  - c) Issue shares with or without voting rights
  - d) Convert loans into equity shares.

(iii) Subject to these presents and the provision of the Act, the shares of the company whenever issued shall be under the control and disposal of the Directors, who may allot issue or otherwise dispose or any of them to such persons or on such terms and conditions and at such times and at par or premium or discount as they may, from time to time think fit and proper may also allot and issue shares in capital of the company in payment or part payment for any property sold or transfer to or for services rendered to the company in or about the conducts of its business and the shares which may also be allotted may be issued as fully paid up shares and if so issued deemed to be fully paid up shares.

"RESOLVED FURTHER THAT any of the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board For SPS Steels Rolling Mills Limited

Ashutosh Sharma Company Secretary (F9025)

Dated: 01-09-2020 Place: Kolkata.

#### NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. NO PHOTOCOPY/ SCANNED COPY OF A COMPLETED PROXY FORM WILL BE ACCEPTED.
- 2. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. If a person holding more than 10% of the total share capital of the Company is proposed to be appointed as a proxy for a member, such person shall not act as proxy for any other person or shareholder.
- 3. The Explanatory Statement pursuant to Section 102 of the Act, setting out details relating to Special Businesses to be transacted at the Meeting, is annexed hereto.
- 4. Members are requested to notify immediately any change in their addresses to the Company's RTA.
- 5. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
- 6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- 7. Pursuant to 'Green Initiative' Circular No. 17/2011 issued by the Ministry of Corporate Affairs, read along with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May, 2020, the Company effected electronic delivery this Notice of the AGM and the Annual Report 2019-20 to those shareholders whose emailids were registered with the respective Depository Participants, Company and down-loadable from the depositories viz., NSDL/CDSL. Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. The Notice convening the 38th AGM and the Annual Report 2019-20 has been uploaded on the website of the Company at www.spsgroup.co.in.
- 8. Mr. Mayank Daga, Practicing company secretary (M.No 41279 & C.P No 16509) has been appointed as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
- 9. The Company's Registrar and Transfer Agent ('RTA') is M/S. Niche Technologies Pvt. Ltd, having office at 3A, Auckland Place,7th Floor, Room No. 7A & 7B Kolkata-700017.
- 10. The Register of Members and Share Transfer Books of the Company will remain closed from,24th September, 2020 to 30th September, 2020 (both days inclusive).
- 11. The Members are requested to:
  - a) Intimate change in their registered address, if any, to the Company's RTA in respect of their holdings in physical form.
  - b) Notify immediately any change in their registered address to their Depository Participants in respect of their holdings in electronic form.
  - c) Non-Resident Indian Members are requested to inform RTA for shares held in physical form or their Depository Participant for shares held in Demat form, as the case may be, immediately of the change in residential status on return to India for permanent settlement.
  - d) Register their e-mail address and changes therein from time to time with RTA for shares held in physical form and with their respective Depository Participants for shares held in Demat form.
- 12. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in Demat form are, therefore, requested to submit PAN details to the Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN and other details to the RTA of the Company.
- 13. In accordance with the amendments to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the SEBI has revised the provisions relating to transfer of listed securities and has mandated that the requests for transfer of listed securities shall not be processed unless the securities are held in dematerialized form with the Depositories with effect from 1April 2019. Thus the member holding shares in physical form are requested to dematerialize their shareholding to avoid inconvenience.

- 14. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their Shareholding, maintained under section 170 of the Act and the Register of Contracts or Arrangements, in which directors are interested, maintained under section 189 of the Act, can send an e-mail to compliance@shakambharigroup.in.
- 15. Brief profile and other required information about the Directors proposed to be appointed/re-appointed, as required under Regulations 26 and 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) are attached to this Notice.
- 16. Members who wish to inspect any documents referred to in the accompanying Notice and the Explanatory Statement, up to and including the date of the AGM of the Company, can send an e-mail tocompliance@shakambharigroup.in.
- 17. Members may also note that the Notice of the 38th AGM and the Annual Report for the Financial Year 2019-20 will also be available on the Company's website www.spsgroup.co.in for download.
- 18. Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses for receiving all communication including Annual Report, Notices, Circulars, etc., from the Company, electronically.
- 19. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 38th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL).
- 20. Members desiring any relevant information on the annual accounts of the company are requested to write to the company well in advance to ensure that such requests reach the company at least 10(Ten) days before the Annual General Meeting, so as to enable the Company to keep the information ready.

#### 21. Voting through electronic means:

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 38th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL).
- II. The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.
- III. The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link https://www.evoting.nsdl.com or website of the company https://www.spsgroup.co.in.
- IV. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
- V. The remote e-voting period commences on Sunday, 27 September, 2020 (9:00 a.m., IST) and ends on Tuesday, 29 September, 2020 (5:00 p.m., IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e., Wednesday, 23 September, 2020, may cast their vote by remote e-voting in the manner and process set out herein below. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- VI. The facility for voting through ballot paper / Poling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper along with the facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL).

A. The process and manner for remote e-voting and e-voting during the AGM are asunder:

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps", which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/;

Step 2: Cast your vote electronically on NSDL e-Voting system.

#### Details on Step 1 is mentioned below:

#### How to Log-in to NSDL e-Voting website?

- 1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/either on a Personal Computer or on a mobile.
- 2. Once the Home page of e-Voting system is launched, click on the icon "Login", which is available under 'Shareholders' section.
- 3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services, i.e., IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2, i.e., Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares, i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in Demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example, if your DP ID is IN300*** and Client ID is 12******, then your User ID is IN300***12******.
b) For Members who hold shares in Demat account with CDSL.	16 Digit Beneficiary ID  For example, if your Beneficiary ID is 12**********, then your User ID is 12************.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company  For example, if Folio Number is 001*** and EVEN is 101456, then User ID is 101456001***.

- 5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password', which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your e-mail ID is registered in your Demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment, i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your e-mail ID is not registered, your 'initial password' is communicated to you on your postal address.
- 6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your Demat account with NSDL or CDSL) option available onwww.evoting.nsdl.com.
- b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available onwww.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in, mentioning your Demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the checkbox.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.

#### Details on Step 2 are given below:

#### Cast your vote electronically on NSDL e-Voting system.

- 1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e- Voting. Then, click on Active Voting Cycles.
- 2. After click on Active Voting Cycles, you will be able to see all the companies' "EVEN" in which you are holding shares and whose voting cycle is in active status.
- 3. Select "EVEN" of company for which you wish to cast your vote.
- 4. Now you are ready for e-Voting as the Voting page opens.
- 5. Cast your vote by selecting appropriate options, i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
- 7. You can also take the printout of the votes cast by you by clicking on the print option on the Confirmation page.
- 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

- 1. Institutional shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the to the Company/RTA/NSDL by e-mail to compliance@shakambharigroup.in,with a copy marked toevoting@nsdl.co.in.
- 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- 3. In case of any queries/grievances, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available under the 'Downloads' section of NSDL's e-voting website, i.e., www.evoting.nsdl.comor contact Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, NSDL, Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at Telephone No. 022-24994360 / 022- 24994545 or call on Toll Free No.: 1800-222-990 or send a request to Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, atevoting@nsdl.co.in.
- 4. Facility for voting through polling paper shall be made available at the 38th Annual General Meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their rights at the concerned meeting.
- 5. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith
- 6. Process for those shareholders whose e-mail IDs are not registered with the Company/Depositories for procuring User ID and Password and registration of e-mail IDs for e-voting for the resolutions set out in this Notice:
  - In case shares are held in physical mode, please provide Folio No., name of shareholder, PAN (self-attestedscannedcopyofPANcard)andscannedcopyofthesharecertificate(frontand back) or Aadhaar (self-attested scanned copy of Aadhaar Card) by uploading the same at

- http://mdpl.in/form/email-update.
- ii. In case shares are held in demat mode, please provide DP ID-Client ID (16 digit DP ID + Client ID or 16 digit Beneficiary ID), name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) tocompliance@shakambharigroup.in.
- iii. Alternatively, member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2), as the case maybe.
- 7. The voting rights of Members shall be in proportion to their shares in the Paid-up Equity Share Capital of the Company, as on the cut-off date being Wednesday, 23 September, 2020.
- 8. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date, i.e., Wednesday, 23 September, 2020, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or compliance@shakambharigroup.in.
- 9. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Ownersmaintainedbythedepositories as on the cut-offdate only shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
- 10. The Results declared, along with the Report of the Scrutinizer, shall be placed on the website of the Company www.spsgroup.co.in, Notice Board of the Company at its Registered Office as well as Corporate Office and on the website of NSDL immediately after the declaration of Result by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to Calcutta Stock Exchange.

By Order of the Board For SPS Steels Rolling Mills Limited

Ashutosh Sharma Company Secretary (F9025)

Dated: 01-09-2020 Place: Kolkata

#### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

#### Item No. 3

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has, at its meeting held on 27 December 2019, appointed **Mr. Ajit Kumar Nath (DIN 08641824)**, as an Additional Director (Non-Executive and Independent) of the Company, with effect from 27 December 2019, in compliance with Section 161 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and subject to the approval of the Members of the Company at this ensuing AGM, Mr Ajit Kumar Nath has also been appointed as an Independent Director of the Company, for a term of 5 (five) consecutive years, with effect from 27 December 2019, in terms of and in compliance with Sections 149, 152, and other applicable provisions, if any, of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Pursuant to the provisions of Section 161(1) of the Act, Mr Ajit Kumar Nath holds office up to the date of this AGM and is eligible to be appointed as a Director

The Company has received a notice from a Member under Section 160 of the Act proposing the candidature of Mr. Ajit Kumar Nath for the office of Director of the Company. The Company has received from Mr Ajit Kumar Nath, (i) consent in writing to act as Director in Form DIR-2 pursuant to Section 152 of the Act, read with Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the said Rules, to the effect that he is not disqualified in accordance with Section 164(2) of the Act; (iii) declaration that he meets the criteria of independence as provided in Section 149(6) of the Act as amended, and Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, he fulfills the criteria for appointment as an Independent Director as specified in the Act and the Rules made thereunder as well as the Listing Regulations and is independent of the management and is a person of integrity, possessing relevant expertise and experience. Having regard to his qualifications, experience and knowledge, the Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr Ajit Kumar Nath as an Independent Director.

The Board recommends the Resolution set out at Item No. 3 of the Notice for approval of the Members of the Company, to be passed as an Ordinary Resolution.

Save and except Mr. Ajit Kumar Nath, being the appointee, and his relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 3 of the Notice.

#### Item No. 4

As per the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014, a Company is required to obtain Prior approval of Audit Committee, the Board of Directors or as the case may be the approval of Shareholders for entering in to any Related Party Transactions.

Your Company deals in manufacturing and trading of Iron & Steel Items especially in Sponge Iron, M.S Billets and TMT Bar. The Group and Associate Company also operates in the same sector i.e Iron & Steel to ensure stability of sale, purchase or supply of any goods or material and/or availing or rendering of any services, within the Groups and Associate Company are at arm's length, your Company proposes to enter into transaction(s) with Related Party Transaction. The total value of the proposed transaction(s) could reach to Rs. 900,00,00,000 .00 during any financial year.

Section 188 of the Act and the applicable Rules framed thereunder read with the Listing Regulations provide that any transaction with the Related Party Transaction will require prior approval of shareholders through ordinary resolution. Hence, approval of the shareholders is being sought to authorize the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) or any transactions involving sale, purchase or supply of any goods with the Related Party Transaction(s).

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution, set out at Item No. 4 of the Notice.

#### Item No. 5

The Board of Directors of the Company, at its meeting held on 18th May, 2020, had appointed Mr. Sanjay Kumar Chowdhary as Whole Time Director Key Managerial Personnel ('KMP') of the Company, with effect from 18th May, 2020.

Keeping in view his vast experience in the Steel Industry and in Business Planning and Operations, and on the recommendation of Audit Committee and Nomination and Remuneration Committee, subject to the approval of the members and, approval of the Board of Directors of the company be and is hereby accorded to the change in designation of Mr. Sanjay Kumar Chowdhary from Non-Executive Director to Whole-time Director of the company, effective from 18<sup>th</sup> May, 2020 for a period of 3 years at a consolidated salary of Rs.1,00,000/- (Rupees One Lakh only) per month which may be revised, within the limits laid down in Schedule V, by the Nomination & Remuneration Committee at any time during the tenure of his appointment, who is liable to retire by rotation at the Annual General Meeting

The above remuneration to be paid to Mr. Sanjay Kumar Chowdhary as minimum remuneration notwithstanding no profits or inadequate profits in any financial year as per the provisions of the Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or such other limits as may be prescribed from time to time.

The Board recommends the Resolution set out at Item No. 5 of the Notice for approval of the Members of the Company, to be passed as Special Resolution.

Except Mr. Sanjay Kumar Chowdhary and his relatives, none of the other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 5 of the Notice.

#### Item No. 6

In order to implement the Approved Resolution Plan passed by the "NCLT" Kolkata Bench dated April 08, 2019, the Board of Directors of the Company vide. their Meeting, dated 16-08-2019 had passed a resolution to borrow monies, from time to time, upto 235.00 crore. The Company is expediting its plan to scale up its capacity and coverage and keeping in view the Unipart's group's existing and future financial requirements to support its business operations, the Company may need additional funds. Hence it is considered necessary to increase the limits for borrowing of funds from Rs. 235.00 crore to 1,000.00 crores (Rupees One Thousand Crore Only); The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

The Board recommends the Resolution set out at Item No. 6 of the Notice for approval of the Members of the Company, to be passed as Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the proposedresolution, set out at Item No. 6 of the Notice.

#### Item No. 7

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 186 of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the Annual General Meeting for an amount not exceeding Rs. 10,00,00,000 (Rupees Ten Crores) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Board recommends the Resolution set out at Item No. 7 of the Notice for approval of the Members of the Company, to be passed as Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution, set out at Item No. 7 of the Notice.

#### Item No. 8

The Board of Directors, on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of M/s. **B.G. Chowdhury & Co**, Cost Accountants in Practice (Firm Registration No.: 000064), as the Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year ending 31 March, 2021, at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only), plus applicable taxes payable and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read together with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor shall be recommended by the Audit Committee and considered and approved by the Board of Directors and ratified subsequently by the Shareholders. Accordingly, the consent of the Members is hereby sought for passing an Ordinary Resolution, as set out at Item No. 6 of the Notice, for ratification of the remuneration payable to the Cost Auditor for the Financial Year ending 31 March, 2021.

The Board recommends the Resolution as set out at Item No. 8 for approval of the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 8 of the Notice.

#### Item No.9

In order to make the main object clause of the Memorandum of Association (MOA) comprehensive and concise and to include manufacturing activities carried out by the company from time to time, it is proposed to modify the main object clause of the Memorandum of Association of the Company. Also the "Approved Resolution Plan" as passed by the NCLT Kolkata Bench vide No. C.P.(IB)No. 595\KB\2017 dated April 08, 2019 for the revival of the Company, contain the provision for amendment and replacement of the MOA as necessary.

The Board at its meeting held on 01-09-2020 has approved alteration of the MOA of the Company and the Board now seek Members' approval for the same.

The proposed change of object clause, requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

A copy of the proposed MOA of the Company would be available for inspection for the Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 11.00 a.m. to 5.00 p.m. till the date of AGM. The aforesaid documents are also available for inspection at the AGM.

The Board recommends the Resolution as set out at Item No. 9 for approval of the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 9 of the Notice.

#### Item No.10

For the smooth working of the company, Regulation 34 of the existing the Article of Association (AOA) of the company which deal with Alteration of Capital be substituted with the new regulation.

The Board at its meeting held on 01-09-2020has approved substituted of Regulation 34 in place of New Regulation of the AOA of the Company and the Board now seek Members' approval for the same. The proposed substituted of Regulation 34, requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 14 of the Companies Act, 2013.

A copy of the proposed AOA of the Company would be available for inspection for the Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and

public holidays, between 11.00 a.m. to 5.00 p.m. till the date of AGM. The aforesaid documents are also available for inspection at the AGM.

The Board recommends the Resolution as set out at Item No. 10 for approval of the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 10 of the Notice.

#### Annexure to the Notice

### DETAILS OF DIRECTORS RETIRING BY ROTATION / SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Particulars	Shri Sanjay Kumar Chowdhary	Shri Ajit Kumar Nath
Date of Birth/ Age	09/08/1970	01-01-1953
Qualifications  Experience (including expertise in specific functional area)/Brief Resume	Commerce Graduate  Shri Sanjay Kumar Chowdhary has experience of over 20 Years in technical know-how of a manufacturing company. He has a good understanding of industry relevant risk,reporting and regulatory issues in which the Company operates.	B.Com,FCA,DISA,CAIIB,ICWA(I) Mr. Nath is having a vide experience in banking & Finance sectors he has worked with ECL for four years, one-year experience as a PRESIDENT of Allahabad bank Financed Ltd (Now merged),32 years of experience in Allahabad Bank in different capacities. Apart from the above he is indulged with a Practicing Chartered Accountants Firm for Last Seven Years as partner of M/S BHATTACHARJEE NATH & CO.
Date of First Appointment on the Board	11/04/2019	27/12/2019
Equity Shareholding	Nil	Nil
Membership/Chairmanship of Committees of other Boards	Nil	Member of Audit Committee, Nomination and Remuneration Committee

Route Map to the AGM Venue Venue: "Diamond Prestige" 41 A, A.J.C Bose Road, 7th Floor, Kolkata-700017



#### **BOARD'S REPORT**

Dear Members,

Your Directors take pleasure in presenting the 38<sup>th</sup> Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2020.

#### **Financial Results**

During the year under review, performance of your company was as under:

	Year Ended 31st March 2020	Year Ended 31st March 2019
Particulars	(Rupees in Lakhs)	(Rupees in Lakhs)
Revenue from Operations (Net)	68537.37	40742.10
Other Income	77.71	49.96
Profit/loss before Depreciation, Finance Costs, Exceptional		
items and Tax Expense	4726.83	-52.93
Less: Depreciation/Amortisation/Impairment	1708.99	463.22
Profit /loss before Finance Costs, Exceptional items and		
Tax Expense	3017.84	-516.15
Less: Finance Costs	2099.74	3.51
Profit /loss before Exceptional items and Tax Expense	918.37	519.66
Add/(less): Exceptional items	16633.08	0
Profit /loss before Tax Expense	17551.45	-519.66
Less: Tax Expense		
Current Tax		
Deferred Tax		
Income Tax for Earlier years	0	0
Profit /loss for the year	17551.45	-519.66
Earnings per share (Basic)	35.10	-1.23
Earnings per Share(Diluted)	35.10	-1.23

#### TAKEOVER OF SPS STEELS ROLLING MILLS LIMITED THROUGH "NCLT"

Shakambhari Ispat & Power Limited had submitted a Resolution Plan to acquire M/s SPS Steels Rolling Mills Limited, (a company in default under CIRP) and was declared as the H1 bidder. The Resolution Plan submitted by Shakambhari Ispat & Power Limited was accepted by the Committee of Creditors (COC) in its 14th Meeting held on 01/09/2018 and approved by the Hon'ble National Company Law Tribunal Kolkata vide its order dated 08th April 2019.

On or about 11/04/2019 Shakambhari Ispat & Power Limited made the payment of Rs 266.12 Crores comprising of Rs 250.00 Crores to Financial Creditors, Rs 8.56 Crores to Operational Creditors and Rs 7.56 Crores towards cost of CIRP and takeover the full control of the company and assets and properties.

#### **OPERATIONS AND STATE OF AFFAIRS**

During the year, the total turnover from operations was ₹68537.37 lakhs in comparison to ₹40742.10 lakhs during the previous year and the profit/loss of the Company before exceptional item for the year was ₹17551.45 lakhs in comparison to ₹-519.66 lakhs during the previous year. Your Directors are making best efforts to increase its operations.

#### **IMPACT OF COVID-19**

The outbreak of COVID-19 pandemic has led to an unprecedented health crisis and has disrupted economic activities and global trade while weighing on consumer sentiments. Consequently, the Iron & steel demand is expected to be sharply lower in 2020.

The Government of India had imposed a stringent nationwide lockdown with effect from March 25, 2020 which has severely impacted manufacturing activities. Though the Company resumed its production from May 2020 on staggered basis, they were subject to certain guidelines and restriction. Iron & steel demand was affected as key consuming sectors struggled to operate amidst weakening economic activities, working capital constraints, shortage of manpower, and logistical issues.

The risk-intelligent culture embedded across the Company has helped in developing and adopting a multipronged strategy to effectively respond to the evolving pandemic situation. The health and safety of our employees and the communities in which we operate continues to be the foremost priority of the Company. The Company is focused on running operations safely and efficiently to service our customers. The operations have been aligned with the prevailing market conditions by reducing upstream operations while curtailing downstream operations. Cross-functional teams worked to manage supply chain and logistics issues within the constraints imposed by the lockdown to ensure that plant could operate as planned.

#### **DIVIDEND**

With a view to conserve the resources of the company for further investments, your directors do not recommend any dividend.

#### **TRANSFER TO RESERVES**

The Company Proposes to retain the entire amount of Profit in the Profit & Loss Account.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report have been prepared in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and contain expectations and a projection about the strategy for growth is enclosed as a part of this report. Certain statements in the Management Discussion and Analysis Report are forward looking statements which involve a number of risks and uncertainties that could differ from actual results performance or achievements which such forward looking statements on the basis of any subsequent developments, information or events for which the Company do not bear any responsibility the Management Discussion and Analysis Report is enclosed as a part of this report as Annexure 1.

#### **SHARE CAPITAL**

Pursuant to the Acquisition, the following key events took place in the Company:

(i) Cancel the Entire Existing Share Capital of the Company.

Pursuant to the approved Resolution Plan passed by the Hon'ble NCLT, Kolkata order dated 08<sup>th</sup> April 2019, the Monitoring Committee ("MC") at its meeting dated 11<sup>th</sup> April 2019 approved and Cancel the existing paid up capital of the company comprised 42,41,292 equity shares of Rs 10/- each.

(ii) Allotment of Equity Shares to eligible Financial Creditors.

Pursuant to the approved Resolution Plan passed by the Hon'ble NCLT, Kolkata order dated 08th April 2019, the MC at its meeting dated 11th April 2019 approved and allotment of 1,50,00,007 equity shares of face value of INR 10/- (Rupees Ten only) each, fully paid up, at a price of INR10/- per equity share, on preferential basis for an aggregate consideration of INR 15,00,00,070/- (Rupees Fifteen Crores and Seventy Rupees only),were allotted to eligible financial creditors on conversion of their existing loan to the extent of the shares allotted to them.

(iii) Allotment of equity shares to SIPL or its nominees and updating register of members

Pursuant to the NCLT order and approved resolution plan, on April 08, 2019, 3,49,99,993 equity shares of face value of INR 10/- (Rupees Ten only) each, fully paid up, at a price of INR 10/- (Rupees Ten only) per equity share, on preferential basis for an aggregate consideration of INR 34,99,99,930/- (Rupees Thirty Four Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred and Thirty only) to SIPL and its nominees and Pursuant to the allotment, they holds 70.00% of the paid-up capital of the Company and has been classified as the promoter of the Company.

The Company Issued, Subscribed and Paid-up Capital at Rs 50,00,00,000 (Fifty Crore) comprising of 5,00,00,000 Equity Shares of Rs 10/-.

The Company have received the Listing approval of 5,00,00,000 Number of Equity Shares of Rs 10/-.as mentioned above issued pursuant to the "NCLT" order from the Calcutta Stock Exchange Ltd (CSE) dated 02-07-2019

#### LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fee for the year 2020-21 where the Company's Shares are listed.

#### **DEMATERIALISATION OF SHARES**

100 % of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2020.

#### MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2019-2020 (Thirteen) Board Meeting were held, the details of which are given in the Corporate Governance Report forming part of this report and marked as Annexure 2.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Sanjay Kumar Chowdhury retires as a Director of the Company at the forthcoming Annual General Meeting ("AGM") and, being eligible, offers himself for re-appointment as a Director.

Mr. Ajit Kumar Nath (DIN: 08641824) has been appointed as an Additional Director, Category: Independent Director w.e.f. 27/12/2019, for a term of five (5) consecutive years, subject to approval of the same by the shareholders of the Company at their ensuing AGM.

Mr. Sanjay Kumar Chowdhury has been appointed as the Whole-time Director of the Company w.e.f., 18<sup>th</sup> May, 2020 for the period of 3 years' subject to the approval of the shareholders at the ensuing AGM.

The Board of Directors recommends the reappointment /appointment of the above mentioned directors, and appropriate resolution seeking reappointment/appointment and their profile are given in the Notice conveying the Annual General Meeting.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:

- a) In the preparation of the annual accounts, for the year ending 31st March, 2020, the applicable accounting standards have been followed and there were no material departures requiring any explanation.
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company for the year under review.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations.

#### REPORT ON CORPORATE GOVERNANCE

The Company is committed to maintain transparency in its operations & hence it complies with the Corporate Governance requirements. The Corporate Governance Report as per Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

A Report on Corporate Governance for the year under review, along with the Certificate from the Auditors confirming compliance with the conditions of Corporate Governance, is annexed as Annexure 2 forming part of this Report.

#### **REMUNERATION POLICY**

A Nomination and Remuneration Policy has been formulated pursuant to the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and rules there to and Regulation 19 of SEBI (LODR) Regulation 2015 stating therein the Company's policy on Directors/ Key Managerial Personnel/ other employee's appointment and remuneration by the Nomination and Remuneration Committee and approved by the Board of Directors. The said policy may be referred to on company's website at www.spsgroup.co.in. As part of the policy, the Company strives to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors / KMPs of the quality required to run the

company successfully. Relationship between remuneration and performance is clear and meets appropriate performance benchmarks

#### **ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee. The same being a part of this report is covered under Corporate Governance Report.

#### **AUDIT COMMITTEE**

The Board has constituted an Audit Committee the details pertaining to the composition of the audit committee are included in the report on Corporate Governance. There has no instance during the year where recommendations of the Audit Committee were not accepted by the board.

#### **AUDITORS AND AUDIT REPORT**

M/s. Uttam Agarwal & Associates, Chartered Accountants having registration no. 322455E, be and are hereby appointed as Statutory Auditors of the Company for a term of 5 years commencing from the Financial year 2017-18 to hold office from the conclusion of 35<sup>th</sup> annual general meeting till the conclusion of the 40<sup>th</sup> Annual General Meeting to be held for the Financial Year 2021-22 (Requirement of Ratification at AGM has since been dispensed with)

M/s. Uttam Agarwal & Associates, Chartered Accountants has audited the book of accounts of the Company for the financial year ended March 31, 2020 and has issued a qualified auditors' report thereon. The notes on Financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further explanation.

In accordance with the Companies (Amendment) Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

#### MAINTENANCE OF COST RECORDS AND COST AUDIT

Your Board has appointed M/s. B.G. Chowdhury & Co., (Registration No. 000064), Cost Accountants as Cost Auditors of the Company for conducting cost audit for the financial year 2020-21. Accordingly, a resolution seeking approval of the members for ratifying the remuneration payable to Cost Auditors for financial year 2020-21 is provided in the Notice to the ensuing Annual General Meeting.

The Cost accounts and records as required to be maintained under Section 148(1) of the Act are duly made and maintained by the Company.

#### SECRETARIAL AUDIT REPORT

As required under section 204 (1) of the Companies Act, 2013 the Company has appointed Mr. Pankaj Kumar Modi, Practicing Company Secretary (Certificate of Practice no 12472) as the Secretarial Auditor for the financial year ended 31st March 2020, the Secretarial Audit Report sublimed by Company Secretary in Practice is enclosed as a part of this report as Annexure-3.

#### **INTERNAL AUDITOR**

In terms of the Provisions of Section 138 of the Act, M/s. Jain Khemka and Associates, (F.R. No. 325300E), Chartered Accountants, were appointed as the Internal Auditor of the Company for the Financial Year 2019-20, The Audit Committee in consultation with the Internal Auditor formulates the scope, functioning, periodicity and methodology for conducting the internal audit, The Audit Committee inter-alia reviews internal audit reports.

The Board of Directors has re-appointed, M/s. Jain Khemka and Associates, (F.R. No. 325300E), Chartered Accountants, as Internal Auditor of the Company, to carry out the Internal Audit of the Company for the financial year 2020-21 under the provisions of Section 138 of the Act.

#### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

- I. The Company has an Internal Financial Control System, which has been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliance with regulations and for ensuring reliability of financial reporting.
- II. **Adoption of SAP ERP, software for maintaining books and accounts and for related purpose:**The company always looks for better measures and keeps on surveying the market for better applications, technologies and methods to be adopted for smooth functioning of the business operations of the company. In view of the same, the company has adopted SAP ERP for maintaining books and accounts and for related purpose

#### SUBSIDY/ASSOCIATE/JOINT VENTURE COMPANY

The Company does not have any subsidiary/associate /joint venture Company during the year ended 31 March 2020.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, enclosed as a part of this report and marked as Annexure 4

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

In terms of section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company constituted a CSR Committee. The Committee comprises Independent Director, non-executive director and executive director. CSR Committee of the Board has developed a CSR Policy which has been uploaded of the company at www.spsgroup.co.in.

Though under law there were no requirements whatsoever for the formation of Corporate Social Responsibility committee and Policy therein because the company was a sick company during the F.Y 2018-19, and during the previous F.Y 2019-20 vide NCLT order dated 08th April 2019 the revival to the company was made possible. The company owns the responsibility towards the environment in which it operates and the surrounding, thus the company has formed the CSR Committee & policy therein.

#### **VIGIL MECHANISM**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, the Company has established a robust Vigil Mechanism and a Whistle-blower policy in accordance with provisions of the Act and Listing Regulations for reporting genuine concerns over happening of instances of any irregularity, unethical practice

and/or misconduct for directors, employees and stakeholders. The details of the said policy have been disclosed on the Company's website at www.spsgroup.co.in.

#### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the company during the financial year with related parties were in ordinary course of business and on an arm's length basis. During the year, the company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company or materiality of related party transaction. The policy on materiality of related party transaction and dealing with related party transaction as approved by the board may access on company's website at the link www.spsgroup.co.in. Your directors draw attention of members to note 36 to the Financial Statements which set out related party disclosures. Accordingly, no transactions are being reported in specified Form No. AOC-2 in terms of Section 134 of the Act

#### **DEPOSITS**

During the year under review, your company has not accepted any deposit from the public / member's u/s 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules during the year.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### **EXTRACT OF ANNUAL RETURN**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 as a part of this Annual Report and marked as Annexure 5

#### REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEE:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is separately enclosed as Annexure 6.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments have occurred after the closure of the year till the date of this Report, which affect the financial position of the Company.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

During the year under review, However National Company Law Tribunal Kolkata Bench ("NCLT") by its order April 08, 2019("Approved Resolution Plan"), as the normal operations were continuing, its Financial Statements were prepared on a Going Concern basis. The details of which is separately enclosed as Annexure 7

<u>DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013</u>

The Company has zero tolerance for sexual harassment at workplace and post the Acquisition has adopted a revised policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No compliant has been raised during the year ended March, 2020.

#### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In terms of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted the revised Code of Conduct for Internal Procedures to Regulate, Monitor and Report Trading by Insiders.

#### **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

Risk management is the process of minimizing or mitigating the risk. It starts with the identification and evaluation of risk followed by optimal use of resources to monitor and minimize the same. The company is exposed to several risks. They can be categorized as operational risk and strategic risk. The company has taken several mitigating actions, applied many strategies and introduced control and reporting systems to reduce and mitigate those risks.

Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with unique/relatively high risk profiles.

A strong and independent Internal Audit function at the corporate level carries out risk focused audits across all business, enabling identification of areas where risk management processes may need to be strengthened. The Audit committee of the board reviews internal audit findings and provides strategic guidance on internal controls.

#### **SECRETARIAL STANDARDS**

The Company has in place proper system to ensure compliance with the provisions of the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

#### **ACKNOWLEDGEMENT**

Directors take this opportunity to express their thanks to various departments of the Central and State Government, Bankers, Customers and Shareholders for their continued support.

The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

On behalf of the Board of Directors SPS Steels Rolling Mills Limited

Deepak Kumar Agarwal Managing Director DIN: 00646153 Sanjay Kumar Chowdhary Whole Time Director DIN: 08402623

Date: 01-09-2020 Place: Kolkata

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### **OVERVIEW**

The objective of this report is to convey the Management's perspective on the external environment and steel and Iron industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities, and internal control systems and their adequacy in the Company during the Financial Year 2019-20. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time. Your attention is also drawn to sections on Opportunities, Risks and Strategy Planning forming part of the Integrated Report.

#### **ECONOMY OVERVIEW**

With continued weakness in global trade and investment, global growth slumped to 2.9% in 2019, leading to varying degrees of deceleration in economies around the globe. Rising geopolitical tensions, worsening trade relations among some nations, trade policy uncertainties, and stress in key emerging market economies continued to impact global economic activity. Intensifying social unrest in several countries and weather-related disasters also contributed to declining global economic activity.

In India, growth slowed down to 4.2% in 2019. This economic slowdown can be attributed to weak investments and declining consumer demand. Further, several sectors such as real estate, aviation, automobile, and construction sectors suffered a consistent decline in demand. The banking sector and financial services also witnessed significant pressure of non-performing assets.

In view of the COVID-19 pandemic, there remains considerable uncertainty around the global economic forecast for 2020. According to the International Monetary Fund ('IMF'), global economy is projected to contract sharply by 4.9% in 2020, surpassing the decline seen during the global financial crisis a decade ago. Stark differences will be observed between impact of the pandemic on advanced economies, and emerging markets and developing economies owing to differences in governance capacity, health care systems, strength of financial institutions, and currency strength.

Growth is expected to be slower in most advanced economies. Countries in the emerging market and developing economies will also witness a slump in growth due to external demand shock, tightening in global financial conditions, and a plunge in commodity prices. In China, where recovery from the sharp contraction in the first quarter is underway, growth is projected at 1% in 2020, supported in part by policy stimulus. The IMF projects a partial recovery in 2021, however, the level of GDP growth is expected to remain below the pre-COVID-19 trend, with uncertainty about strength of the rebound.

India's economy in the Financial Year 2020-21 is projected to grow at a slower pace following a longer period of lockdown and slower rate of recovery than anticipated. Effective policies and fiscal measures by the Government will be essential to forestall contraction of growth.

#### **OUTLOOK FOR STEEL & IRON INDUSTRY**

The COVID-19 pandemic has severely affected economies and industries globally and the steel industry is no exception. Therefore, outlook for the steel industry includes scenarios regarding the pandemic's speed of

propagation, possible recurrence, near-term impact of measures being taken to contain the outbreak, and the effectiveness of the stimulus announced by the Governments of various nations

After slower than expected growth in 2019, steel & Iron demand is estimated to contract significantly in the Financial Year 2020-21. According to the World Steel Association ('WSA'), it is possible that the impact on steel demand in relation to the expected contraction in GDP may turn out to be less severe than that seen during the erstwhile global financial crisis. In comparison with other sectors, the manufacturing sector is expected to rebound quicker though supply chain disruptions are likely to continue.

Most of the steel & Iron producing regions are expected to witness a decline in crude steel output due to production cuts amidst ongoing lockdowns. However, it is expected that compared to other countries, China will move faster towards normalisation of economic activity as it was the first country to come out of the COVID-19 crisis. Governments of different nations have announced sizeable stimulus packages which are expected to favour steel consumption through investment in infrastructure and other incentives for the steel industry

In India, muted demand and oversupply is likely to result in suppressed steel prices and capacity utilisation in the near term. Since India depends largely on migrant labour, restarting construction and infrastructure projects will be a challenge. The demand from infrastructure, construction, and real estate sectors is likely to be subdued in the first half of the Financial Year 2020-21 due to the lockdown during the first quarter followed by the monsoons during the second quarter. Further, the demand from automobile, white goods, and capital goods a sector is likely to reduce significantly with consumers deferring discretionary spends in the near term. Effective government stimulus and return of consumer confidence is likely to be the key driver for a gradual recovery over the second half of the Financial Year 2020-21.

#### **BUSINESS REVIEW**

The Company has one reportable segment i.e. Steel & Iron. There is a general improvement in business of the company by eliminating all its competitors in the market and having an edge over the Brand name "Elegant Steel". There is a general expectation of further improvement in the economy and investment climate as the stable government is operating in the country and it is expected that there would be more opportunities in the sector.

#### **RISKS AND OPPORTUNITIES**

The Company operates in an increasingly complex, volatile and uncertain business environment with stringent regulatory and environmental requirements. The Company aspires to create long term value for its stakeholders by embedding risk intelligence and building resilience within the organization.

The Company has implemented an Enterprise Risk Management ('ERM') framework to provide a holistic view of aggregated risk exposures as well as to facilitate more informed decision-making. The ERM framework includes identification of risks and risk owners for regular tracking, mitigation, and reporting of risks to help the Company meet its business objectives. The Company through the ERM framework has identified key risks under various categories such as financial risks, macroeconomic and market risks, operational risks, safety risks, commodity risks, supply chain risks, information security risks, regulatory risks, climate change risks, and community risks. The Company has also mapped the severity of these risks and the likely impact on the Company and has developed mitigation strategies to eliminate or minimize the impact of the risks.

The COVID-19 outbreak is an unprecedented event and has certainly posed challenges for the Company. The risk intelligent culture embedded across the Company has helped in developing and adopting a multipronged strategy to effectively respond to the evolving pandemic situation. Operations were aligned with the prevailing market conditions by reducing upstream operations while curtailing downstream operations. Cross functional teams worked to manage supply chain and logistics issues within the constraints imposed by the lockdown to ensure that plant could operate as planned. The Company also focussed on cash and liquidity management to face any future disruption in business conditions.

Alongside identification of risks, the Company has a continuous process of monitoring and leveraging opportunities presented by the external and internal environment. Despite the immediate challenges posed by the COVID-19 pandemic, the Company will continue to leverage opportunities provided by the near-term and long-term macro and business environment. The Company has identified various opportunities for growth and improvement and has developed strategies to leverage these opportunities. These opportunities include identifying potential for organic and inorganic growth, foraying into new lines of business to cater to evolving needs of customers as well as to make the business more sustainable, developing business models to address issues on climate change, and embarking on the path of digital transformation to be a technology leader in the industry and to gain a competitive advantage over other players.

A detailed overview on the risk landscape and mitigation strategies as well as the strategies for capitalising on opportunities in business is provided in the "Risk and Opportunities" Section forming part of the Integrated Report.

#### REPORT ON CORPORATE GOVERNANCE

[Pursuant to Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015]

#### 1. Company's philosophy on Corporate Governance in brief

The Company's philosophy on Corporate Governance is based on the foundation of ethical and transparent business operations. The Company strongly believes that establishing good corporate governance practices in each and every function of the organization leads to increase rational efficiencies and sustained long term value creation for all the stake holders. The Company is committed to the highest standard so corporate governance, and setting industry- leading benchmarks. Our goal is to promote and protect the long-term interest of all stakeholders while maintaining due compliance with all legal and regulatory requirements. The Company's philosophy on Corporate Governance extends across its business operations to meet the varied needs of all stakeholders and the society at large to create long term sustainable value.

The Company continues to maintain high standards of transparency and effective leadership coupled with ethical business practices. As a Company which believes in implementing corporate governance practices in letter and in spirit, the Company has adopted practices mandated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Companies Act, 2013 ('the Act') and has established procedures and systems to comply with it.

During the year under the review, the NCLT has approved the Resolution Plan submitted by the Shakambhari Ispat & Power Limited ("Resolution Applicant") vide its order dated April 08, 2019 ("Approved Resolution Plan").

On approval of the Resolution Plan by the Hon'ble NCLT, the office of the existing director stands suspended and the powers of the Board are assumed by the Monitoring Committee ("MC") under the IBC. The NCLT vide its order dated April 08, 2019 has approved the appointment of the MC. On and from April 08, 2019, the MC has assumed control over the management of the Company for an interim period. The MC at its meeting dated 11th April, 2019 re-constituted the board and a new management ('New Management"- Namely Mr. Deepak Kumar Agarwal (DIN: 00646153), Mr. Ramabatar Agarwal (DIN: 02930064) and Mr. Sanjay Kumar Chowdhary (DIN:08402623) was put in place to implement the Resolution Plan as approved by the NCLT vide its Order dated April 08, 2019 ('NCLT Order') ('Approved Resolution Plan' or 'Resolution Plan').

Post-Acquisition, the new Board was constituted in the financial year 2019-20 i.e. on April 11, 2019 ("Reconstituted Board" or "Board") This new management was given the responsibility for the revival of the Company and to make good all the non-compliances under the Act, Rules and Regulations governing the company. With time the new management complied with all the necessary statutory compliances and kind of reincarnated the company.

#### 2. Board of Directors

Composition and Category of Directors and number of other Directorship and Committee Positions and the names of the listed entities in which the Director is a Director and the category of such Directorship held as on 31 March, 2020.

The Board of Directors of the Company consisted of 5(Five) members as on 31March, 2020, which comprised of:

- Two Independent, Non-Executive Directors including one Independent Woman Director;
- Two Promoter Executive Directors; and
- One Non-Promoter Executive Whole-Time Director.

The Composition of the Board as on 31st March, 2020

The composition of the Board as on 31March, 2020 was in accordance with the provisions of the Act and the Regulation 17oftheListing Regulations. The details of each member of the Board as on 31March, 2020 are provided herein below:

Name of the Director	Number of Directorship(s) in other public limited		mittee positions in mited companies	Directorship in other listed entities (Category of Directorship)	
	companies	Chairperson Member			
Non-Independent, Executive Dir	rectors (Managing Dire	ectors & Whole-tim	e Directors)		
Mr. Deepak Kumar Agarwal (DIN: 00646153)  Managing Director  Executive Directors- Promoter	1	1	2	0	
Mr. Sanjay Kumar Chowdhary (DIN:08402623) Whole-Time Director Executive Director	1	0	0	Citrine Consultants Ltd W.E.F 29-06-2020	
Mr. Ramabatar Agarwal (DIN:02930064)  Executive Directors Promoter	1	0	0	0	
Mrs. Priyanka Goenka (DIN: 08489182) Non-Executive Independent, Directors	2	0	7	Citrine Consultants Ltd W.E.F 15-07-2020	
Mr. Ajit Kumar Nath (DIN: 08641824) Non-Executive Independent, Directors	0	0	0	0	

#### Notes:

- i. Excludes Directorships/Chairpersonships in Associations, Private Limited Companies, Foreign Companies, Government Bodies, Companies registered under Section 8 of the Act and Alternate Directorships
- ii. Only Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee & CSR of Indian Public Companies have been considered for committee positions.
- iii. None of the Directors on the Board hold directorship sin more than ten public companies. Further, none of the mis a member of more than ten committees or Chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31 March, 2020 have been made by the Directors.
- iv. Mr. Ramabatar Agarwal is the Father Mr. Deepak Kumar Agarwal, a part from this, none of other Directors are in any way related to any other Director.
- v. Mr. Sanjay Kumar Chowdhary (DIN: 08402623), has been appointed as a Whole-time Director of the Company, with effect from 18 May,2020, subject to approval of the shareholders at their ensuing Annual General Meeting.
- vi. Mr. Ajit Kumar Nath (DIN: 08641824) has been appointed as an Additional (Independent) Director of the Company, with effect from27<sup>th</sup> December 2019, subject to approval of the shareholders at their ensuing Annual General Meeting.

# Attendance of Directors at the Board Meetings during the Financial Year ended 31 March, 2020 and at the last Annual General Meeting

During the Financial Year ended 31 March, 2020, 13(Thirteen) Board Meetings were held and the gap between any two consecutive meetings held during the year did not exceed 120 days. The attendance details of each Director at the Board Meetings and at the last Annual General Meeting ('AGM') is given below:

Name of the Director	No. of Meetings Held	Board	_	of ngs Atte	ended	Attendance last AGM he September, 2	ld on 30
Mr. Deepak Kumar Agarwal	13				13	Yes	
Mr. Ramabatar Agarwal	13				13	Yes	
Mr. Sanjay Kumar Chowdhary	13				13	Yes	
Mrs. Priyanka Goenka	13				09	Yes	
Mr. Ajit Kumar Nath	13				01	No	

#### Information placed before the Board

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board.

During the Financial Year 2019-20, information as mentioned in Schedule II (Part A) to the Listing Regulations has been placed before the Board for its consideration; to the extent it is applicable and relevant.

The Board periodically reviews the compliance report applicable to the Company, prepared by the Company.

### Details of Meeting-wise attendance of Board Members

Date of the Board Meeting	Board Strength	No. of Directors Present
11-Apr-19	3	3
12-Apr-19	3	3
25-May-19	3	3
20-Jun-19	3	3
28-Jun-19	4	4
22-Jul-19	4	4
5-Aug-19	4	4
13-Aug-19	4	4
16-Aug-19	4	4
1-Nov-19	4	4
15-Nov-19	4	4
27-Dec-19	4	4
14-Feb-20	5	5

Details of shares/convertible instruments held by the Directors of the Company as on 31 March, 2020 are as follows:

Name of Director	No. of shares held
Mr. Deepak Kumar Agarwal	Nil
Mr. Rambatar Agarwal	Nil

Mrs. Priyanka Goenka	Nil
Mr. Sanjay Kumar Chowdhary	Nil
Mr. Ajit Kumar Nath	Nil

- **3.** The Details of the Familiarization programmes imparted to the Independent Directors are available at the Company's official website <a href="https://www.spsgroup.co.in/">https://www.spsgroup.co.in/</a>.
- **4.** The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

#### Industry knowledge/experience

Experience of sector/industry
Knowledge of sector/industry
Knowledge of international best practices
Knowledge of technologies in sector/industry

#### **Governance competencies**

Senior management experience Strategic thinking /planning Financial literacy Public relations Profile / reputation

#### Technical skills/ expertise

Functional experience Laws and corporate governance Risk management Human resource management

#### **Behavioral competencies**

Team player / collaborative Integrity, seriousness and ethics Mentoring abilities Interpersonal relations Communication skills

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the applicable requisite skill sets among above as identified by the Board, in context of business and sector in which the company operates. Moreover, the Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries/fields from where they come.

The Board is of the opinion that, the independent directors are independent of the management and fulfill the conditions as specified in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended from time to time.

### 5. Confirmation as regards independence of Independent Directors

The Independent Directors of the Company have confirmed that:

- a. they meet the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and
- b. intermsofRegulation25(8)of the Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Further, in the opinion of the Board, the Independent Directors fulfill the conditions prescribed under the Listing Regulations and are independent of the management of the Company.

### 6. Vigil Mechanism

The Vigil Mechanism comprises 3 policies viz, the whistle Blower Policy for Director & Employees, Whistle Blower Policy for Vendors and Whistle Blower Reward and Recognition Policy for Employees. The same is available on our website, <a href="https://www.spsgroup.co.in/">https://www.spsgroup.co.in/</a>.

#### 7. Audit Committee

The composition, quorum and terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Act and Regulation 18 read with Schedule II (Part C) to the Listing

Regulations.

The Committee comprised of the following Directors as its members, as on 31 March, 2020:

- i. Mrs. Priyanka Goenka, Chairman Independent Director
- ii. Mr. Ajit Kumar Nath -Independent Director \*
- iii. Mr. Deepak Kumar Agarwal- Managing Director Member
- iv. Mr. Sanjay Kumar Chowdhary- Member \*
- v. Mr. Ramabatar Agarwal-Member\*

All members of the Audit Committee are financially literate and have accounting and related financial management expertise. The Company Secretary acts as the Secretary to the Audit Committee. During the year under review, the Board had accepted all the recommendations of Audit Committee.

During the Financial Year 19-20, 7 (Seven) Audit Committee Meetings were held on 20.06.2019, 22.07.2019, 05.08.2019, 13.08.2019, 15.11.2019, 27.12.2019 and 14.02.2020

Attendance at the said meetings is given below:

Name of the Director	No. of Meetings Held	No. of Meetings Attended
Mr. Deepak Kumar Agarwal	7	7
Mr. Ramabatar Agarwal*	7	1
Mr. Sanjay Kumar Chowdhary*	7	6
Mrs. Priyanka Goenka	7	6
Mr. Ajit Kumar Nath*	7	1

#### 8. Nomination & Remuneration Committee

There is a Nomination and Remuneration Committee ('NRC') in place with roles, power sand duties to be determined by the Board from time to time. Its terms of reference in accordance with the provisions of Section 178 of the Act and Regulation 19(4) read with Schedule II (Part D) of the Listing Regulations.

The Committee comprised of the following Directors as its members, as on 31 March, 2020:

- i. Mrs. Priyanka Goenka, Chairman Independent Director
- ii. Mr. Ajit Kumar Nath -Independent Director\*
- iii. Mr. Deepak Kumar Agarwal- Member
- iv. Mr. Sanjay Kumar Chowdhary- Member\*
- v. Mr. Ramabatar Agarwal-Member\*

During the Financial Year 2019-20, 5 (Five) NRC meetings were held on 20 June, 2019, 22 July, 2019, 13 August, 2019, 27 December, 2019. &14 February, 2020 Attendance at the said meetings is given below:

Name of the Director	No. of meetings		
	Held	Attended	
Mr. Deepak Kumar Agarwal	5	5	
Mr. Ramabatar Agarwal*	5	1	
Mr. Sanjay Kumar Chowdhary	5	4	
Mr. Priyanka Goenka	5	4	
Mr. Ajit Kumar Nath	5	1	

#### 9. Stakeholders' Relationship Committee

The composition and terms of reference of the Stakeholders' Relationship Committee are in accordance with the provisions of Section 178 of the Act and Regulation 20 read with Schedule II (Part D) of the Listing Regulations.

The Stakeholders' Relationship Committee comprised of the following Directors as its members, as on 31 March, 2020:

- i. Mrs. Priyanka Goenka, Chairman Independent Director
- ii. Mr. Ajit Kumar Nath -Independent Director
- iii. Mr. Deepak Kumar Agarwal- Member
- iv. Mr. Sanjay Kumar Chowdhary- Member
- v. Mr. Ramabatar Agarwal-Member\*

Mr. Ashutosh Sharma, Company Secretary and Compliance Officer, acts as the Secretary to Stakeholders' Relationship Committee.

During the Financial Year 2019-20, 2 (Two) Stakeholders' Relationship Committee meetings were held on 20 June, 2019&14th February, 2020. Attendances at the said meetings are given below:

Name of the Director	No. of meetings	
	Held	Attended
Mr. Deepak Kumar Agarwal	2	2
Mr. Ramabatar Agarwal*	2	1
Mr. Sanjay Kumar Chowdhary *	2	1
Mrs. Priyanka Goenka	2	1
Mr. Ajit Kumar Nath*	2	1

### Note: \*

- Mr. Ajit Kumar Nath (DIN: 08641824) has been appointed as an Additional (Independent)
  Director of the Company, with effect from 27<sup>th</sup> December 2019, subject to approval of the
  shareholders at their ensuing Annual General Meeting.
- Mr. Ramabatar Agarwal (DIN:02930064) has ceased to be member of the committee w.e.f 28<sup>th</sup> June 2019
- Mr. Sanjay Kumar Chowdhary (DIN: 08402623) has ceased to be member of the committee w.e.f 27<sup>th</sup> December 2019
- Mrs. Priyanka Goenka, Independent, Non-Executive Director is the Chairperson of the Committee.
   Priyanka Goenka was present at the 37th Annual General Meeting of the Company held on 30 September, 2019toanswer shareholder queries

At the beginning of the year under review, there was no complaint remaining unresolved. During the period under review, there was no complaint from the shareholders as being satisfied by the Company working, there was no pending complaint at the end of the year.

### 10. Corporate Social Responsibility Committee

The composition and terms of reference of the Corporate Social Responsibility ('CSR') Committee are in accordance with the provisions of Section 135 of the Act. As on 31March, 2020, the CSR Committee of the Company was headed by Mrs. Priyanka Goenka, Non-Executive Director, as the Chairman, with Mr. Deepak Kumar Agarwal, Managing Director as other members of the Committee.

The terms of reference of the CSR Committee, inter alia, includes the following:

- i. Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.
- ii. Recommend the amount of expenditure to be incurred on the CSR activities.
- iii. Monitor the CSR Policy of the Company from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the CSR Committee. The same is displayed on the website of the Company. The Annual Report on CSR activities for the Financial Year 2019-20 forms a part of the Report of the Directors.

During the Financial Year 2019-20, 2 (Two) CSR Committee meetings were held on 20 June, 2019 and 14 Febuary.2020 Attendance at the said meetings is given below:

Name of the Director	No. of meetings		
	Held	Attended	
Mrs. Priyanka Goenka	2	1	
Mr. Deepak Kumar Agarwal	2	2	
Mr. Ramabatar Agarwal*	2	1	
Mr. Sanjay Kumar Chowdhary	2	1	
Mr. Ajit Kumar Nath	2	1	

#### 11. Remuneration of Directors

The payments of remuneration to the Independent Director, Executive Director & Non-Executive Director are governed by the Company's Remuneration Policy and the respective agreement between them and

the Company.

### Details of remuneration paid to Directors during the Financial Year 2019-20

i. Remuneration paid to Independent & Non-Executive Directors: Nil

_	_	
In	D	
111	Rur	1662

Name of the Director	Sitting Fees	Commission paid/payable	Total	

### Notes:

ii. Remuneration paid to Executive Directors: (In Rupees)

Name of the Director & Designation	Salary	Perquisi	Commission paid/ payabl		Service Contract, etc.
Mr. Deepak Kumar Agarwal Managing Director	16,64,516	0	0	16,64,516	Tenure of 5 years w.e.f. 22 July 2019
Total	16,64,516	0	0	16,64,516	

Note: Mr. Deepak Kumar Agarwal (DIN: 00646153), who was appointed as director of the company at the meeting of the Monitoring Committee (MC) dated 11th April, 2019 pursuant to the "Approved Resolution Plan" order dated 08th April 2019 of National Company Law Tribunal, Kolkata Bench. The Board of Directors in its meeting held at 22th July 2019 appointed Mr. Deepak Kumar Agarwal as the Managing Director of the Company, for a period of five years with effect from 22th July, 2019.

### 12. General Body Meetings

i. Location and time, where last three Annual General Meetings (AGM) were held:

Year	Location	Date	Time	Whether special resolutions passed
2016-2017	Elegant Tower 224A, AJC Bose Road, Kolkata- 700017	29 September, 2017	03.00 P.M	No
2017-2018	Elegant Tower 224A, AJC Bose Road, Kolkata- 700017	15 <sup>th</sup> March, 2019	11.30 A.M.	No
2018-2019	Diamond Perstige,41 AJC Bose Road, Kolkata- 700017	30 <sup>th</sup> September 2019	11.30 A.M.	Two

Mr. Pankaj Kumar Modi, Practicing Company Secretary was appointed as the Scrutinizer for scrutinizing the voting process (through remote e-voting and Ballot Paper) for and at the AGM held on 30 September, 2019 and submitting Report thereon.

iv. As on date, no special resolution is proposed to be conducted through Postal Ballot.

### 13. Means of Communication

The Company's quarterly/half-yearly/yearly financial results are published in national English newspaper(s) as well as newspaper(s) published in vernacular language of the region where the Registered Office of the Company is situated. The Company also submits its releases and financial results to the Stock Exchanges on which the securities of the Company are listed, i.e., Calcutta Stock Exchange. The Company's results and official news releases, presentations made to institutional investors or to the analysts, if any, are also displayed on the Company's website, www.spgroup.co.in.

# 14. General Shareholder Information

a) Date, time and venue of the next Annual General Meeting	30 <sup>th</sup> September, 2020, at 3.00P.M., at Diamond Prestige, 41AJC Bose Road ,Kolkata -700017 ,India
b) Financial Year	1 April, 2019 to 31 March, 2020
c) Listing at Stock Exchanges Equity Shares & its Stock Codes at Stock Exchanges	The Calcutta Stock Exchange Association limited 7, Lyons Range, Kolkata-700001 INE114G01026
d) Share Transfer System:	With Central Depository Services (India) Limited & National Securities Depository Limited (NSDL)
e) Registrar and Share Transfer Agent	Niche Technologies Private Limited Registered Office:7A & 7B, Auckland place Kolkata 700017 Telephone No.: 033 2234 3576 E-mail nichetechpl@nichetechpl.com

# f) Distribution of shareholding as on 31 March, 2020:

Equity	Shares	No. of Shareholders	%	of T	'otal	No. of Shares held	%	of	Shares
held			Shareho	olders			held		
5,001 to 10,0	00	1	5.50			6833	0.01		
10,001 and A	bove	17	94.50			499,931,67	99.9	9	
Total		18	100.00			500,000,00	100.	00	

Note:~%~figures have been rounded off to nearest two decimal points.

g) Dematerialization of shares and liquidity	As per directives of SEBI, the Company's shares are tradable compulsorily in electronic form. The Company's shares are available for dematerialization at National Securities Depository Ltd. ('NSDL') and Central Depository Services (India) Ltd. ('CDSL'). The International Securities Identification Number(ISIN) of the Company, as allotted by NSDL and CDSL, is INE114G01026. As on 31 March, 2020,100 %of the shares of the Company stand dematerialized.
h) Outstanding American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) / warrants or any convertible instruments, conversion date and likely impact on equity	There are no outstanding ADR/GDR/warrants or any convertible instruments as on 31 March, 2020.
i) Plant locations:	Dr. Zakir Hussain Avenue, GT Road, Durgapur, West Bengal-713206

j)	Address for Correspondence:	Mr. Ashutosh Sharma Company Secretary
		SPS Steel Rolling Mills Limited
		Diamond
		Perstige,41 AJC
		Bose Road,
		Kolkata 700 017
		Phone: (033) 66255252
		E-mail ID: compliance@shakambharigroup.in

#### 14. DISCLOSURES

- (i) As a matter of policy, the Company does not enter into any transaction with any related party that may have potential conflict with the interests of the Company at large. The transactions with related party in normal course of business have been disclosed in the Notes forming part of Accounts.
- (ii) Neither were any penalties imposed, nor were any strictures passed by Stock Exchange or SEBI or any Statutory Authority on any Capital Market related matters during the last three years.
- (iii) The Company has a whistle blower policy and no employee has been denied access to the Audit Committee and / or Director in respect of his / her grievances.
- (iv) The Company has complied with the mandatory requirements of the Listing Regulation. The Company has adopted various non-mandatory requirements as well, as discussed under relevant headings.
- (v) The Company does not have a Subsidiary and as such no Policy for determining 'material subsidiaries was formulated.
- (vi) The Company has framed Related Party Transaction Policy and is placed on the Company's website and may be referred to, at the Company's official website at <a href="www.spgroup.co.in">www.spgroup.co.in</a>.
- (vii) During the financial year ended 31st March, 2020 the Company did not engage in commodity hedging activities.
- (viii) During the financial year 2019-20 the Company have not raised or utilized any funds through preferential allotment or qualified institutions placement.
- (ix) The company has obtained a certificate from a practicing company secretary certifying that none of the directors of the company have been debarred or disqualified from being appointed or continuing as directors of the companies by SEBI / MCA or any such statutory authority.
- (x) The board of directors has accepted the recommendations of its committees made during the financial year 2019-20.
- 15. There has been no instance of non-compliance of any requirement of Corporate Governance Report.

### 16. ADOPTION OF NON - MANDATORY REQUIREMENTS

Sr.		
Nr.	Particulars	Compliance Status/Remarks
1	Audit Qualification	The financial statement has no qualifications.
2	Reporting of Internal	The Internal Auditors have a direct access to
	Auditors	the Chairman of the Audit Committee

17. The Company has fully complied with the applicable requirement specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46.

### 18. CEO/CFO CERTIFICATION

As required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Chief Executive Officer and Chief Financial Officer of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal control for the financial reporting purpose, for the year under review.

# Certification by CEO and Chief Financial Officer as per Regulation 17 (8) of the Listing Regulations the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
SPS STEELS ROLLING MILLS LIMITED
Diamond Heritage,
16, Strand Road,
Room No-H 523 A,
5th Floor, Kolkata- 700001.

### Dear Sirs,

- I, Mr. Deepak Kumar Agarwal, Managing Director, and Mr. Binod Kumar Agrawal, Chief Financial Officer Certify that:
  - 1. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2020 and to the best of our knowledge and belief, hereby state that:
    - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    - b. These statements together present, in all material respects, a true and fair view of the Company's affairs, the financial condition and results of operations and are in compliance with applicable accounting standards, laws and regulations.
  - 2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020 which are fraudulent, illegal or which violate the Company's code of conduct.
  - 3. we accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal control, if any, of which we are aware and the steps taken or proposed to be taken to rectify the same;
  - 4. We have indicated to the auditors and the Audit Committee:
    - a) significant changes, if any, in internal control over financial reporting during the year;
    - b) significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
    - c) Instances of significant fraud, if any, wherein there has been involvement of management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata Deepak Kumar Agarwal Binod Kumar Agrawal Date: 01-09-2020 Managing Director Chief Financial Officer

## Declaration for Compliance with the Code of Conduct of the Company as per Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Deepak Kumar Agarwal, Managing Director of SPS Steels Rolling Mills Limited declare that as of 31st March, 2020 all the Board members and senior management personnel have affirmed compliance with the Code of Conduct of the Company.

For SPS Steels Rolling Mills Limited

Place: Kolkata Date: 01-09-2020

Deepak Kumar Agarwal **Managing Director** 

Certificate to the Members of SPS Steels Rolling Mills Limited on the conditions of Corporate Governance for the year ended 31st March, 2020.

To the Members of SPS Steels Rolling Mills Limited

I have examined the compliance of the conditions of Corporate Governance by SPS Steels Rolling Mills Limited for the year ended 31st March, 2020 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. ("SEBI Listing Regulations")

The Compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination is limited to the review of the procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us, and the representation made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in the SEBI Listing Regulations for the year ended on 31st March, 2020.

On the basis of records maintained by the Company, I state that, as on 31st March, 2020, there were no investor grievances remaining pending for a period exceeding one month against the Company.

I, further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Mayank Daga

Company Secretary in Practice Membership No. ACS 41279 CP. No. 16509 UDIN: A041279B000645916

Place: Kolkata

Date: 01-09-2020

Note:

- i. During the audit period the revival of the company was made possible after the "Approved Resolution Plan" as submitted by the "SHAKAMBHARI ISPAT AND POWER LIMITED." passed by the National Company Law Tribunal Kolkata Bench vide its order dated 08th April 2019.
- ii. On approval of the Resolution Plan by the Hon'ble NCLT, the office of the existing director stands suspended and the powers of the Board are assumed by the Monitoring Committee ("MC") under the IBC. The NCLT vide its order dated April 08, 2019 has approved the appointment of the MC. On and from April 08, 2019, the MC has assumed control of the management of the Company for an interim period. The MC at its meeting dated 11th April, 2019 re-constituted the board and a new management ('New Management') was put in place to implement the Resolution Plan as approved by the NCLT vide its Order dated April 08, 2019 ('NCLT Order') ('Approved Resolution Plan' or 'Resolution Plan').
- iii. Post the Acquisition, a new Board was constituted in the financial year 2019-20 i.e. on April 11, 2019 ("Reconstituted Board" or "Board") and a new management was put in place. In accordance with the provisions of the Code and the NCLT order, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.
- iv. The new Board" was entrusted for the revival of the Company and to make all necessary compliances under the Act, Rules and Regulations governing it. With time during the period under review the new "Board" has carried out the necessary statutory compliances and kind of reincarnated the company.

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To, The Members, Sps Steels Rolling Mills Limited Diamond Heritage, 16, Strand Road, Room No-H 523 A, 5th Floor, Kolkata-700001.

Place: Kolkata

Date: 01-09-2020

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Sps Steels Rolling Mills Limited having CIN L51909WB1981PLC034409 and having registered office at Diamond Heritage, 16, Strand Road, Room No-H 523 A, 5th Floor, Kolkata - 700001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory.

Sl No	Name of Director	DIN	Date of appointment in Company	Date of cessation (if any)
1	Deepak Kumar Agarwal	00646153	11/04/2019	-
2	Ramabatar Agarwal	02930064	11/04/2019	-
3	Sanjay Kumar Chowdhary	08402623	11/04/2019	-
4	Priyanka Goenka	08489182	20/06/2019	-
5	Ajit Kumar Nath	08641824	27/12/2019	-

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Mayank Daga** 

Company Secretary in Practice Membership No. ACS 41279 CP No. 16509

UDIN: A041279B000645731

## Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020 [Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of The Companies (Appointment and Remuneration Personnel) Rules

To
The Members,
SPS STEELS ROLLING MILLS LIMITED

- 1. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SPS STEELS ROLLING MILLS LIMITED** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.
- 2. Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year end March 31, 2020 complied with the statutory provisions here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company and made available to us, for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Company belongs to the steel Industry. To the best of our knowledge and believe and as confirmed by the Management of the Company the following Law is specifically applicable the Company:
- (a) Public Sector Iron and Steel Companies (Restructuring) and Miscellaneous Provisions Act, 1978, Industrial Disputes Act of 1947 and Minimum Wages Act, 1948 etc.
- 3. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015:
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

## I have also examined compliance with the applicable clauses of the following:

- (i)Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective from 1st July, 2015.
- (ii) The Company being a listed company, the provisions of the Listing Agreement/Revised Listing Agreement with Calcutta Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review the followings changes took place:

- i. Mr. AJIT KUMAR NATH was appointed as additional independent director with effect from 27-12-2019.
- ii. Ms. PRIYANKA GOENKA was appointed as additional independent director with effect from 20-06-2019.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, be captured and recorded as part of the minutes.

**I further report that** during the audit period the revival of the company was made possible after the "**Approved Resolution Plan**" as submitted by the "**SHAKAMBHARI ISPAT AND POWER LIMITED.**" passed by the National Company Law Tribunal Kolkata Bench vide its order dated 08th April 2019.

On approval of the Resolution Plan by the Hon'ble NCLT, the office of the existing director stands suspended and the powers of the Board are assumed by the **Monitoring Committee ("MC")** under the IBC. The NCLT vide its

order dated April 08, 2019 has approved the appointment of the MC. On and from April 08, 2019, the MC has assumed control of the management of the Company for an interim period. The MC at its meeting dated 11th April, 2019 re-constituted the board and a new management ('New Management') was put in place to implement the Resolution Plan as approved by the NCLT vide its Order dated April 08, 2019 ('NCLT Order') ('Approved Resolution Plan' or 'Resolution Plan').

Post the Acquisition, a new Board was constituted in the financial year 2019-20 i.e. on April 11, 2019 ("Reconstituted Board" or "Board") and a new management was put in place. In accordance with the provisions of the Code and the NCLT order, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, and regulations and guidelines.

Pankaj Kumar Modi (Company Secretary) M. No.: 28600 C P No.:12472

Place: Kolkata Date: 01-09-2020

UDIN: A028600B000646789

This Report is to be read with our testimony of even date which is annexed as "Annexure A" and forms an integral part of this report.

SPS Steel Rolling Mills Limited

Annexure-3

To

The Members,

SPS STEELS ROLLING MILLS LIMITED

My report of even date is to be read along with this letter.

 $i.\ Maintenance\ of\ secretarial\ records\ is\ the\ responsibility\ of\ the\ management\ of\ the\ Company.\ Our$ 

responsibility is to express an opinion on these secretarial records based on our audit;

ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable

assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the

processes and practices, we followed provide a reasonable basis for our opinion;

iii. We have not verified the correctness and appropriateness of financial records and Books of

Accounts of the Company;

iv. Wherever required, we have obtained the Management Representation about the compliance of

laws, rules and regulation and happening of events etc;

v. The compliance of the provisions of Corporate and other applicable laws, rules, regulations,

standards is the responsibility of management. Our examination was limited to the verification of

procedure on test basis;

vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of

the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Pankaj Kumar Modi (Company Secretary) M. No.: 28600

C P No.:12472

Place: Kolkata Date: 01-09-2020

UDIN: A028600B000646789

### Statement of particulars under Rule 8(3) of companies (Accounts) Rules, 2014

### A. Particulars with Respect to conservation of Energy:

The Steps taken or impact on conservation of energy

The power consumption of the Company as a percentage of total turnover comes to a negligible percentage. Several measures to conserve energy and to reduce the costs associated with it have been taken. The Company has installed energy efficient devices in the projects also. Training programme were conducted to increase awareness on energy saving.

### ii) The Steps taken by the Company for utilizing alternate sources of energy

As the energy consumption to total turnover is very minimal use of alternate source of energy is not required.

### iii) The Capital investment on energy conservation equipment

As the energy consumption to total turnover is very minimal investment in energy conservation equipment is presently not required.

### B. Particulars with Respect to Technology absorption:

### i) The efforts made towards technology absorption

The Company has taken efficient steps towards technology absorption.

# ii) The benefits derived like product improvement, cost reduction, product development or import substitution

The benefits derived by the Company for such adoption have been evident in reducing cost. Thus it helps the company to satisfy consumer needs and business requirements.

# iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable

- a. Details of technology imported
- b. The year of import
- c. Whether the technology been fully absorbed
- d. If not fully absorbed, areas where absorption has taken place and the reasons thereof; and
- iv) The expenditure incurred on Research and Development: NA

# C. Foreign exchange earnings and outgo:

Foreign Exchange earnings and outgo	2018-19	2019-20	
Earning	Nil	Nil	
Outgo	Nil	Nil	

### Form No.MGT-9

### EXTRACTOFANNUAL RETURN FOR THE FINANCIAL YEAR ENDEDON 31.03.2020

[Pursuanttosection92(3) oftheCompaniesAct,2013 andrule12(1) of the Companies (Management and Administration) Rules, 2014]

## I.REGISTRATION AND OTHER DETAILS:

i.	CIN	L51909WB1981PLC034409
ii.	Registration Date	26/12/1981
iii.	Name of the Company	SPS STEELS ROLLING MILLS LIMITED
iv.	Category/Sub-Category of the Company	COMPANY LIMITED BY SHARES/ NON- GOVERNMENT COMPANY
v.	Address of the Registered office and contact details	DIAMOND HERITAGE ,16 STRAND ROAD, ROOM NO H 523 A, 5 <sup>TH</sup> FLOOR, KOLKATA-700001
vi.	Whether listed company	YES
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/S. NICHE TECHNOLOGIES PRIVATE LIMITED 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, KOLKATA-700017

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

	Sr.No.	Name and Description of main	NIC Code of the	% to total turnover of the
		products/ services	Product/ service	company
ı				
	1	MANUFACTURING OF IRON & STEEL	24109	100 %
		PRODUCTS		

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section			
1.								
2.								
3.	NONE							
4.								

# IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year(Details of Shareholding as Per the Approved Resolution Plan in terms of order dated 08th April 2019	No. of Shares held at the end of the year	% Change during The
	of Hon'ble NCLT Kolkata Bench)		yea r

	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoter				ondi co				onur co	
1) Indian									
a) Individual/ HUF									
b) CentralGovt									
c) State Govt(s)									
d) Bodies Corp	34999993	0	34999993	70.00	34999993	0	34999993	70.00	
	0.111110	<u> </u>				· ·			
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-									
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.									
j) Banks / FI				1					
k) Any Other									
	34999993	0	34999993	70.00	34999993	0	34999993	70.00	
Sub-total(A)(2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI	15000007	0	15000007	30.00	15000007	0	15000007	30.00	
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital									
Funds									
i) Others (specify)									
i) Others (specify)									
Sub-total (B)(1)									
2. Non Institutions									
a) Bodies Corp.									
(i) Indian									
(ii) Overseas									
b) Individuals									
b) illuividuais									
(i) Individual shareholders									
holding nominal share capital									
upto Rs. 1 lakh									
apto no. 1 am									
(ii) Individual shareholders									
holding nominal share capital									
in excess of Rs 1 lakh									
c) Others(Specify)									
, (Sp ) )				1					
Sub-total(B)(2)				1					
	15000007	0	15000007	30.00	15000007	0	15000007	30.00	
Total Public Shareholding				1					
(B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for									
GDRs & ADRs									
Grand Total	50000000	0	50000000	100	50000000	0	50000000	100	
(A+B+C)									

## ii.Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year		Shareholdin	of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding ng during g the year
1.	Shakambari Tie-Up Private Limited	10000000	20.00		10000000	20.00		
2.	Krishna SudamaMarkeing Private Limited	3000000	6.00		3000000	6.00		
3.	Swapno Marketing Private Limited	8000000	16.00		8000000	16.00		
4.	Aryavrat Plot Managers Private Limited	8000000	16.00		8000000	16.00		
5.	BMS Sales Private Limited	5999993	12.00		5999993	12.00		
	Total	34999993	70.00		34999993	70.00		

## iii.Change in Promoters' Shareholding (please specify, if there is no change

Sr. no		Shareholding at the y		Cumulative Shareholding during the year		
		No. of shares % of total shares of the company		No. of shares	% of total shares of the company	
	At the beginning of the year					
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):		N	IL		
	At the End of the year					

Note: Details of Previous Shareholding stands extinguished/cancelled by reason of Approved Resolution plan in terms of order dated  $08^{th}$  April 2019 of Hon'ble NCLT Kolkata Bench

# V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not	48,552.38 300.36 -	8,025.63 - -		56,578.01 300.36 -
Total(i+ii+iii)	48,852.74	8,025.63		56,878.37
Change in Indebtedness during the financial year - Addition - Reduction	21,856.45 (48852.74)	5,040.05 (8,025.63)		26,896.50 (56,878.37)
Net Change	(26,996.29)	(2985.58)		(29,981.87)
Indebtedness at the end of the financial year				
i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	21,654.59 201.87 -	5,040.05 - -		26,694.63 201.87 -
Total (i+ii+iii)	21,856.45	5040.05		26,896.50

<sup>\*</sup>reduction represents repayment as per NCLT Order and written off to "Business Re-Organization Reserve A/c"

## VI. REMUNERATIONOFDIRECTORSANDKEYMANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Deepak Kumar Agarwal	Total Amount
1.	Gross salary	1664516	1664516
	(a)Salary as per provisions containedinsection17(1) of the Income-tax Act, 1961	-	-
	(b)Value of perquisites u/s17(2) Income-taxAct,1961	-	-
	(c)Profits in lieu of salary undersection17(3)IncometaxAct,1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission- as% of profit- others, specify	-	-
5.	Others, please specify	-	-
6.	Total(A)	1664516	1664516
	Ceiling as per the Act		

Note: Mr. Deepak Kumar Agarwal (DIN: 00646153), who was appointed as director of the company at the meeting of the Monitoring Committee (MC) dated 11th April, 2019 pursuant to the "Approved Resolution Plan" order dated 08th April 2019 of National Company Law Tribunal, Kolkata Bench. The Board of Directors in its meeting held at 22th July 2019 appointed Mr. Agarwal as the Managing Director of the Company, for a period of five years with effect from 22th July, 2019.

### **B.** Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount	
	Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify					Nil
	Total(1) Other Non-Executive Directors -Fee for attending board committee meetings -Commission -Others, please specify					Nil Nil
	Total(2)					Nil
	Total(B)=(1+2)					Nil
	Total Managerial Remuneration					Nil
	Overall Ceiling as per the Act					

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary	CFO	Total	
1.	Gross salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961  (b)Value of perquisites u/s 17(2) Income-taxAct,1961  (c)Profits in lieu of salary under		9,00,000	9,07,500	Nil	
	section17(3) Income-tax Act,1961					
2.	Stock Option				Nil	
3.	Sweat Equity				Nil	
4.	Commission - as % of profit -others, specify				Nil	
5.	Others, please specify				Nil	
6.	Total					

Note: The Board of Directors in its meeting held at 20th June 2019 appoint Mr. Ashutosh Sharma, Company Secretary and Mr. Binod Kumar Agarwal, Chief Financial Officer of the Company.

# VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Туре	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any(give details)		
A.Company							
Penalty							
Punishment			None				
Compounding							
B.Directors	B.Directors						
Penalty							
Punishment	None						
Compounding							
C.Other Officers In	Default						
Penalty	None						
Punishment							
Compounding	]						

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 AND DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 [READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2014]

- **A.** The Details of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.
  - i) The ratio of remuneration of each director to the median remuneration of the employee of the company for the financial year:

Sl. No.	Name of the Director	Remuneration Per Annum (INR)*	Median Remuneration Per Annum (INR)	Ratio (Remuneration of Director to Median Remuneration)
1	Deepak Kumar Agarwal* (Managing Director)	16,64,516	96,054	17.33

<sup>\*</sup>from 22nd July 2019

ii) Percentage increase in the remuneration of each director, Chief Financial Officer, Chief Executive officer, if any, in the financial year 2019-20.

During the year there has not been any increase in the remuneration paid to Mr. Deepak Kumar Agarwal (M.D), CFO and Company Secretary of the Company.

iii) Percentage Increase in the remuneration of employees in the financial year 2019-20

(Amount in INR) 2018-2019 2019-2020 Nil 16,64,516

- iv) Number of Permanent employees on the rolls of the Company as on 31st March 2020 is 571 nos.
- v) Explanation on the relationship between average increase in remuneration and company performance: Not Applicable
- vi) Comparison on the remuneration of the Key Managerial Remuneration against the performance of the Company:

During the year under review, the remuneration to KMP's are in line with the Remuneration Policy of the company where their remuneration determined based on their performance which is correlated with the performance of the company. Further remuneration of the KMP's is as per industrial standards.

vii) Variation in Market Capitalization/Net Worth of the Company as at the closing of the Financial Year and Previous Financial Year.

The networth of the Company as on 31st March 2020 was Rs133,90.73 Lakhs Positive as compared to Rs -53,230.29 Lakhs Negative as on 31st March 2019.

viii) Average Percentile increase already made in the salaries of the employees other than the managerial personnel in the financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Not Applicable

- ix) The Key Parameters for any variable component of remuneration availed by the directors: None
- x) The ratio of remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid director during the year:

Name of the Director	Remuneration Per Annum (INR)	Name of the Employee	Remuneration Per Annum (INR)	Ratio (Remuneration of Director to Employee)
Deepak Kumar Agarwal	1664516	None	N.A.	N.A.

xi) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and other entitled thereto, excluding the information on employees' particulars of employees drawing remuneration in excess to the limits set out in the said rules which are available for inspection of Members. If any Members are interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

# SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("IBC/Code"), the Corporate Insolvency Resolution Process ("CIRP Process") of SPS Steels Rolling Mills Limited ("Company") was initiated by the Financial Creditors of the Company. The Financial Creditors petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("NCLT") on December 22, 2017 ("Insolvency Commencement Date"). Mr. Vijay Kumar V. Iyer was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, Mr. Iyer was confirmed as the Resolution Professional ("RP") by the committee of creditors ("CoC"). On appointment of the IRP/RP, the powers of the Board of Directors of the Company were suspended.

Pursuant to the invitation dated March 23, 2018 published by the RP, Shakambhari Ispat & Power Limited ("**Resolution Applicant**") had submitted a resolution plan for the Company. The resolution plan submitted by the Resolution Applicant, dated May 10, 2018, as amended by first addendum dated August 30, 2018 and second addendum dated September 1, 2018 ("**Resolution Plan**") in respect of the Company was approved by the CoC in its meeting dated September 01, 2018. The Resolution Plan was thereafter submitted by the RP with the NCLT for its approval. The NCLT has approved the Resolution Plan vide its order dated April 08, 2019 ("**Approved Resolution Plan**").

On approval of the Resolution Plan by the Hon'ble NCLT, the office of the existing director stands suspended and the powers of the Board are assumed by the Monitoring Committee ("MC") under the IBC. The NCLT vide its order dated April 08, 2019 has approved the appointment of the MC. On and from April 08, 2019, the MC has assumed control of the management of the Company for an interim period. The MC at its meeting dated 11<sup>th</sup> April, 2019 re-constituted the board and a new management ('New Management') was put in place to implement the Resolution Plan as approved by the NCLT vide its Order dated April 08, 2019 ('NCLT Order') ('Approved Resolution Plan' or 'Resolution Plan').

Post the Acquisition, a new Board was constituted in the current financial year i.e. on April 11, 2019 **("Reconstituted Board")** and a new management was put in place. In accordance with the provisions of the Code and the NCLT order, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

The Directors of the Reconstituted Board ("Directors") were not in office for the period to which this report Primarily pertains. During the CIRP Process (i.e. between December 22, 2017 to April 08, 2019), the RP was entrusted with the management of the affairs of the Company. Prior to the Insolvency Commencement Date, the erstwhile Board of Directors had the oversight on the management of the affairs of the Company. The Reconstituted Board is submitting this report in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed there under ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"). The Reconstituted Board is not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the Acquisition.

### INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SPS STEELS ROLLING MILLS LIMITED

### **Opinion**

We have audited the accompanying financial statements of *SPS Steels Rolling Mills Limited* ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

# **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion on the Standalone financial statements.

### **Emphasis of Matter**

We would like to draw attention to Note 4 Property, Plant and Equipment and Note 13 Other Equity, during the year fixed assets have been revalued as per the report of the registered valuer. Accordingly depreciation has been charged on the enhanced value. As a result, profits of the company for the year is lower to the extent of INR 1459.29 lakhs.

As described in Note 32 Exceptional Items, during the year the company has recognised the cost of Corporate Insolvency and Resolution Process ("CIRP") and effects of implementation of resolution plan under exceptional items. As a result, profits of the company for the year is higher to the extent of INR 16767.67 lahks.

The balance confirmations and reconciliations have not been received in respect of certain balance with banks and trade receivables. In the opinion of the management, there will not be any material impact on the financial statements.

Our opinion is not modified in respect of the above matters.

### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters.

### **Key audit matter**

The Company has incurred significant expenditure on capital projects, as reflected by the total value of additions in property plan and equipments and capital work in progress in notes 4 financial statements.

We consider capital expenditure as a key audit matter due to:

- Significance of amount incurred on such items during the year ended March 31, 2020.
- Judgement and estimate required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment.
- Judgement involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 16 Property, Plant and Equipment.

The Company has significant trade receivables at year end. Given the size of the balances and the risk that some of the trade receivables may not be recoverable, judgment is required to

evaluate whether any allowance should be made to reflect the risk.

### How the matter was addressed in our audit

Our audit procedures included the following:

- We obtained an understanding of the companies capitalisation policy and assessed for compliance with the relevant accounting standards.
- We obtained as understanding, evaluated the designed and tested the operating effectiveness of controls related with capital expenditure and capitalisation of assets.
- We performed substantive testing on a sample basis for each element of capitalised costs including inventory issued to contractors for the purpose of these projects and physical verification performed by management along with reconciliation and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalised.

### Information other than the Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the other information. The other information, comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

## Management's Responsibility for the Financial Statements

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

In the preparing the financial statements, management is responsible for assessing the Company's ability to Continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operation, or has no realistic alternative but to do so.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Those Board of Directors are responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the Board of directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No 30 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

### For Uttam Agarwal & Associates

Chartered Accountants
Firm's Registration No. 322455E

### **CA Gaurav Agarwal**

Partner
Membership No. 307455

Place: Kolkata. Date: July 31, 2020.

UDIN:20307455AAAACG8183

### Annexure A -to the Independent Auditor's Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2020, we report that:

- i. (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. According to the information and explanations given to us, the Inventories have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on physical verification as compared with the book records.
- iii. On the basis of examination of records and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other Parties covered in the register maintained under section 189 of the Act.
- iv. The Company has during the year not given any Loans, Guarantees and Security to any party. Accordingly, Sections 185 and 186 of the Companies Act, 2013 are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013. Thus, paragraph 3(v) of the Order is not applicable to the Company
- vi. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under sub-section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income—Tax, Sales—Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material Statutory Dues have generally been regularly deposited during the year by the Company with the appropriate authorities;

According to the information and explanations given to us, there are no undisputed amounts payable as at 31st March 2020 for a period of more than six months from the date they became payable.

According to the information and explanations given to us there are no material dues of cess and other material statutory dues which have not been deposited by the Company with the appropriate authorities on account of any disputes.

- viii. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders..
  - ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
  - x. In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
  - xi. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the provisions of the Section 197 read with Schedule V of the Act.
- xii. According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has made preferential allotment/private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirements of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us and on the basis of review on an overall basis, the Company is not engaged in financing activity and hence is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

### For Uttam Agarwal & Associates

Chartered Accountants
Firm's Registration No. 322455E

## **CA Gaurav Agarwal**

Partner

Membership No. 307455

Place: Kolkata. Date: July 31, 2020.

**UDIN: 20307455AAAACG8183** 

### Annexure - B to the Auditor's Report

# Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SPS Steels Rolling Mills Limited** ("the Company") as of 31st March 2020, in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

# Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control o

ver financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For Uttam Agarwal & Associates

Chartered Accountants
Firm's Registration No. 322455E

### **CA Gaurav Agarwal**

Partner Membership No. 307455

Place: Kolkata. Date: July 31, 2020

**UDIN:** 20307455AAAACG8183

	Note	As at	As at
		31st March 2020	31st March 2019
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4A	19,199.30	3,652.27
(b) Capital work-in-progress	4B	94.84	3,450.01
(c) Intangible Asset	4A	2.71	3.32
(d) Financial assets			
(i) Investments	5	-	4.18
(ii) Other financial assets	6	1,614.42	1,791.53
(e) Other non-current assets	7		1.00
Total Non-current assets		20,911.27	8,902.30
(2) Current assets			
(a) Inventories	8	4,838.73	3,100.77
(b) Financial assets		•	·
(i) Trade receivables	9	13,475.01	28,147.43
(ii) Cash and cash equivalents	10	68.27	581.00
(iii) Other financial assets	6	110.21	38.15
(c) Current tax assets (net)	11	125.50	77.99
(d) Other current assets	7	7,104.50	9,818.13
Total Current assets		25,722.21	41,763.47
TOTAL ASSETS		46,633.48	50,665.78
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	5,000.00	4,241.29
(b) Other equity	13	8,390.73	-57,471.59
Total Equity		13,390.73	-53,230.30
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	20,847.13	-
(b) Provisions	16	208.74	411.22
Total Non-current liabilities		21,055.86	411.22
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	5,249.38	37,401.32
(ii) Trade payables	17	5,210.79	26,401.17
(iii) Other financial liabilities	15	800.00	37,060.15
(b) Other current liabilities	18	905.98	2,544.24
(c) Provisions	16	20.73	77.97
Total Current liabilities		12,186.87	103,484.85
TOTAL EQUITY AND LIABILITIES		46,633.48	50,665.78
Note on NCLT Proceedings			
Significant accounting policies	3		

See accompanying notes to the financial statements

As per our report of even date attached

For Uttam Agarwal & Associates

Chartered Accountants

FRN: 322455E

For and on behalf of the Board

CA Gaurav AgarwalDeepak Kumar AgarwalSanjay Kumar ChowdharyPartnerDirectorDirectorMembership No: 307455DIN: 00646153DIN: 08402623

Place: Kolkata

Dated: July 31,2020Binod Kumar AgrawalAshutosh SharmaUDIN: 20307455AAAACG8183Chief Financial OfficerCompany Secretary

Amou	nt	in	Dc	10	bhc

		Note	Year ended 31st March 2020	Year ended 31st March 2019
ı	Revenue from operations	19	81,295.70	48,142.25
•	less : Duties & taxes on above	19	-12,758.33	-7,400.15
	Net Revenue from operations		68,537.37	40,742.10
П	Other income	20	77.71	49.86
III	Total income (I + II)		68,615.08	40,791.96
IV	Expenses			
	Cost of materials consumed	21	43,894.95	27,660.31
	Purchase of stock-in-trade	22	2,069.34	-
	Changes in inventories of finished goods and stock-in-	22	256.41	47.01
	trade	23	-256.41	-47.91
	Employee benefits expense	24	1,396.11	1,258.54
	Finance costs	25	2,099.47	3.51
	Depreciation and amortisation expense	4A	1,708.99	463.22
	Other expenses	26	16,784.28	11,973.94
	Total expenses (IV)		67,696.72	41,311.62
v	Profit/ (loss) before exceptional items and tax (III-IV)		918.37	-519.66
	Exceptional items	32		
	Resolution Professional Expenses		134.59	-
	Effects of implementation of resolution plan		-16,767.67	-
VI	Profit/ (loss) before tax		17,551.45	-519.66
VII	Tax expense:	27	,	
	Current tax		_	_
	Deferred tax		_	_
VIII	Profit / (loss) for the year (V-VI)		17,551.45	-519.66
	Other comprehensive income (net of tax)			
	A. Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit liability/ (asset)		-	-17.49
	(b) Equity Instrument at fair value through OCI		-	-3.17
	(c) Income taxes relating to items that will not be		_	_
	Net other comprehensive income not to be reclassified subsequently to profit or loss		-	-20.66
	B. Items that will be reclassified to profit or loss		-	<u> </u>
	Net other comprehensive income to be reclassified		-	<u> </u>
IX	Other comprehensive income		-	-20.66
х	Total comprehensive income for the year (VII+VIII)		17,551.45	-540.33
ΧI	Earnings per equity share [Face value of equity share Rs. 10 each (previous year Rs. 10 each)]			
	- Basic		35.10	-1.23
	- Diluted		35.10	-1.23
	NCLT Proceedings ant accounting policies			

As per our report of even date attached

See accompanying notes to the financial statements

For Uttam Agarwal & Associates

Chartered Accountants

FRN: 322455E

For and on behalf of the Board

CA Gaurav AgarwalDeepak Kumar AgarwalSanjay Kumar ChowdharyPartnerDirectorDirectorMembership No: 307455DIN: 00646153DIN: 08402623

Place: Kolkata Dated: July 31,2020 UDIN: 20307455AAAACG8183

Binod Kumar Agrawal Chief Financial Officer Ashutosh Sharma Company Secretary

		Year ended 31st March 202	20	Year ende 31st March 2	
Α	Cash flow from operating activities				
	Profit Before Tax		17,551.45		-519.66
	Adjustment for :-				
	Interest income	-67.58		-7.22	
	Depreciation and amortisation expense	1,708.99		463.22	
	Finance costs	2,099.47		3.51	
	Allowance for doubtful debts (expense)	-		134.11	
	Effects of implementation of resolution plan	-16,767.67		-	
			-13,026.78		593.62
	Operating profit before working capital changes		4,524.67		73.96
	Adjustment For :-				
	Trade receivables, loans, advances and other assets	2,339.46		-1,782.92	
	Inventories	-1,737.96		1,729.22	
	Trade payables, other liabilities and provisions	-8,206.67	-7,605.18	-547.14	-600.83
	Cash generated from operatiions		-3,080.51		-526.87
	Income tax paid		-50.51		-140.76
	Net Cash from operating activities		-3,131.02		-667.63
В	Cash flow from investing activities				
	Acquisition of property, plant and equipments & Capital				
	Work-in-Progress	-531.24		-0.73	
	(Increase)/decrease in fixed deposits	-622.01		-6.50	
	Interest received	67.58		7.22	
	Net cash used in investing activities		-1,085.67		-0.00
С	Cash flow from financing activities				
	Increase/(decrease) in borrowings	803.42		-	
	Increase/(decrease) in Equity share capital	5,000.00		-	
	Interest paid	-2,099.47		-3.51	
	Net cash used in financing activities		3,703.95		-3.51
	Net increase in cash & cash equivalents		-512.73		-671.16
	Cash & Cash equivalents at beginning of the year		581.00		1,252.16
	Cash & Cash equivalents at closing of the year		68.27		581.00

### Note:

- i) Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act, 2013.
- ii) Acquisition of property, plant and equipment includes movements of capital work-in-progress (including capital advances) during the year.
- iii) Figures in brackets indicate cash outflow.

### Note on NCLT Proceedings Significant accounting policies

3

See accompanying notes to the financial statements

As per our report of even date attached For Uttam Agarwal & Associates Chartered Accountants

For and on behalf of the Board

FRN: 322455E

CA Gaurav AgarwalDeepak Kumar AgarwalSanjay Kumar ChowdharyPartnerDirectorDirectorMembership No: 307455DIN: 00646153DIN: 08402623

Place: Kolkata

Dated: July 31,2020Binod Kumar AgrawalAshutosh SharmaUDIN: 20307455AAAACG8183Chief Financial OfficerCompany Secretary

# SPS STEELS ROLLING MILLS LIMITED Note on NCLT Proceedings

1. On April 8, 2019, the National Company Law Tribunal ("NCLT") approved the terms of the Resolution Plan submitted by Shakambhari Ispat and Power Limited ("SIPL"), which provides, inter alia, the acquisition of the Company by SIPL. Pursuant to the Resolution Plan, SIPL with its nominee companies subscribed to 70% of the equity share capital of SSRML for an aggregate amount of Rs. 35 crores and provided additional funds aggregating to Rs. 231.20 crores to SSRML by way of debt. The remaining 30% of SSRML's share capital are being held by the financial creditors who received shares in exchange for the debt owed to them. The funds received by SSRML as debt and equity have been used to settle the sustainable debts owed to the existing financial creditors of SSRML, Corporate Insolvency and Resolution Process ("CIRP") costs and employee dues, by payment of Rs. 266.20 crores. Gain arising out of redemption was recorded as Business Reorganisation Reserve as on the year ended March 31, 2020. Further, as per the Resolution Plan, the contingent liabilities and commitments, claims and obligations, stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof.

#### 1 General information

SPS Steels Rolling Mills Limited ("the Company") is a listed company incorporated in India on 26th December,1981 having its registered office at Diamond Heritage, 16, Stand Road, Room No -H 523 A, Kolkata-700001. The Company is principally engaged in the business manufacturing and trading of iron and steel products.

#### 2 Basis of preparation

#### a) Statement of Compliance

These financial statements are prepared in accordance with the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

#### b) Functional and presentation currency

The financial statements are presented in Indian Rupees ('Rs') which is Company's presentation currency. The functional currency of the Company is also Indian Rupees ('Rs').

### c) Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### d) Use of judgments and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Critical accounting judgements and key sources of estimation uncertainty: Key assumptions-

### (i) Useful lives of Property, plant and equipment:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

#### (ii) Fair value measurement of financial instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

## (iii) Defined benefit plans:

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuations using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### (iv) Recognition and measurement of provisions and contingencies:

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies, if any, in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for.

#### e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of duties and taxes and net of returns, trade discounts, rebates.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company.

The Company bases its estimates on historical results, taking into consideration the type of customers, the type of transaction and the specifics of each arrangement.

### 3 Significant accounting policies

## a) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

## b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## i. Financial Assets

## Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

## Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the profit or loss.

## Financial assets at FVTOCI

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

## Financial assets at FVTPL

A financial asset which is not classified in any of the above categories are measured at FVTPL.

Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

## Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109.

## ii. Financial liability

## Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are initially measured at fair value.

## Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in following categories:

- · Financial liabilities through profit or loss (FVTPL)
- · Financial liabilities at amortised cost

## Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

## Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in profit or loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

#### Derecognition

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

## iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## c) Property, Plant and Equipment

## i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

## ii. Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

#### iii. Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the Statement of Profit and Loss.

Depreciation on fixed assets are provided on straight line method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act.

Freehold land is not depreciated.

Leasehold land and relating to factory and corporate office are fully amortized over lease period or project life whichever is lower.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted as appropriate.

## d) Capital work-in-progress

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors.

Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts

## e) Intangible assets

## i. Initial recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses.

Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

#### ii. Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

#### iii. Amortisation

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less.

## f) Impairment

## i. Impairment of financial instruments: financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

For financial assets other than trade receivables, as per Ind AS 109, the Company recognises 12 month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

## ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## g) Inventories:

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises of raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

## h) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date.

Gains/ losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss. Exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation (having a functional currency other than Indian Rupees) are accumulated in Foreign Currency Translation Reserve.

## i) Cash and Cash Equivalents:

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

## j) Employee Benefits

#### i. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

## ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company makes specified monthly contributions towards Provident Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

## iii. Defined benefit plans

#### **Gratuity:**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/retirement. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

#### Leave Encashment:

Liability for leave encashment is treated as a long term liability and is provided on the basis of valuation by an independent Actuary as at the year end.

## k) Provisions (other than for employee benefits), Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement and are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are disclosed only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets where it is probable that future economic benefits will flow to the Company are not recognised but disclosed in the financial statements.

## I) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

## m) Recognition of dividend income, interest income or expense

## Dividends

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

## n) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

## i. Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

#### ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### o) Accounting for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

## p) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## q) Events occurring after balance sheet date

Material events occurring after the Balance Sheet are considered up to the date of approval of the accounts by the board of directors. There are no substantial events having an impact on the results of the current year Balance Sheet.

## r) Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segment for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

## s) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

A. Equity share capital

Particulars	Number	Amount
As at 1 April 2018	42,412,920	4,241.29
Changes in equity share capital during 2018-19	-	-
As at 31 March 2019	42,412,920	4,241.29
Less: reduction without payout as per order by The Hon'ble NCLT via order dated 08 April 2019.	-42,412,920	-4,241.29
Add : Issued at the time of takeover as per the terms of approved resolution plan by The Hon'ble NCLT via order dated 08 April 2019:		
to SIPL nominee companies	34,999,993	3,500.00
to the existing financial creditors by way of conversion of outstanding debt into equity	15,000,007	1,500.00
As at 31 March 2020	50,000,000	5.000.00

B. Other equity

B. Other equity								
				Reserves and s	urplus			
Particulars	Securities Premium Account	Amalgamation reserve	General Reserve	Business Re- organisation Reserve	Revaluation Reserve	Retained earnings	Equity instruments through Other Comprehensive Income	Total
Balance as at 1 April 2018	11,775.17	1,108.88	250.00	-	-	-69,893.39	-10.88	-56,770.22
Total comprehensive income for the year ended								
31 March 2019								
Profit or Loss	-	-	-			-260.53	-	-260.53
Other comprehensive income (net of tax)	-	-	-			-17.49	-3.17	-20.66
Total comprehensive income	-	-	-			-278.02	-3.17	-281.20
Prior period error	-	-	-			-137.77	-	-137.77
Balance as at 31 March 2019	11,775.17	1,108.88	250.00	-	-	-70,309.19	-14.06	-57,189.21
Total comprehensive income for the year ended								
31 March 2020								
Tranferred to Business Re-organisation Reserve	-11,775.17	-1,108.88	-250.00				14.06	-13,119.99
Profit or Loss	-	-	-	-	-	17,551.45	-	17,551.45
Other comprehensive income (net of tax)	-	-	-	48,064.86	11,909.71	-	-	59,974.56
Total comprehensive income	-11,775.17	-1,108.88	-250.00	48,064.86	11,909.71	17,551.45	14.06	64,406.03
Prior period error *	-	-	-	-	-	-3.00	-	-3.00
Balance as at 31 March 2020	-	-	-	48,064.86	11,909.71	-52,760.74		7,213.82

Note on NCLT Proceedings

Significant accounting policies
See accompanying notes to the financial statements

As per our report of even date attached For Uttam Agarwal & Associates Chartered Accountants FRN: 322455E

For and on behalf of the Board

**CA Gaurav Agarwal** Partner Membership No: 307455

Deepak Kumar Agarwal Sanjay Kumar Chowdhary Director DIN: 00646153

Place: Kolkata Dated: July 31,2020 UDIN: 20307455AAAACG8183

Binod Kumar Agrawal Chief Financial Officer

Ashutosh Sharma Company Secretary

Director DIN: 08402623

## 4A Property, plant and equipment

		Freehold Land	Leasehold Land	Building	Plant and	Vehicles	Office Equipment	Computers	Total - Tangible	Computer software
A.	Gross carrying amount				equipment				assets	Software
٦.	(at cost or deemed cost)									
	As at April 1, 2018	3.76	160.67	2,237.69	2,578.56	62.74	61.61	7.43	5,112.46	11.44
	Additions	-	-	-	-	-	0.61	0.12	0.73	-
	Deletions / Discard	-	-	-	-	-	-	-	-	-
	As at March 31, 2019	3.76	160.67	2,237.69	2,578.56	62.74	62.21	7.55	5,113.19	11.44
	Additions	-	142.01	973.51	2,766.30	-	-	4.59	3,886.41	-
	Additions on Revaluation		2,675.35	4,069.13	6,624.51				13,369.00	
	Deletions / Discard		-	-	-	-	-	-	<u> </u>	
	As at March 31, 2020	3.76	2,978.04	7,280.33	11,969.37	62.74	62.21	12.14	22,368.59	11.44
В.	Depreciation									
	Upto March 31, 2018	-	11.08	227.00	694.74	41.95	26.71	2.35	1,003.83	1.99
	Additions		5.54	113.50	318.49	9.58	6.45	3.53	457.09	6.13
	Deletions / Discard	-	-	-	-	-	-	-	-	-
	As at March 31, 2019	-	16.62	340.50	1,013.23	51.53	33.16	5.87	1,460.92	8.12
	Additions		171.81	521.98	1,007.00319	1.86	5.04	0.67	1,708.37	0.62
	Deletions / Discard				<u> </u>	-		-		
	As at March 31, 2020		188.43	862.48	2,020.24	53.39	38.21	6.55	3,169.29	8.73
c.	Net Carrying Amount									
٠.	As at March 31, 2019	3.76	144.05	1,897.19	1,565.33	11.21	29.05	1.67	3,652.27	3.32
	As at March 31, 2020	3.76	2,789.61	6,417.85	9,949.13	9.35	24.01	5.59	19,199.30	2.71

<sup>(1)</sup> The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

## 4B Capital Work-in-Progress (CWIP)

		CWIP*	CWIP**
A.	Gross carrying amount		
	(at cost or deemed cost)		
	As at April 1, 2018	3,450.01	-
	Additions	-	-
	Capitalised		
	As at March 31, 2019	3,450.01	-
	Additions	191.84	94.84
	Capitalised	3,641.85	-
	As at March 31, 2020	-	94.84

<sup>(2)</sup> For details of assets pledged as security refer Note 14.

<sup>\*</sup>It pertains to structural mill project.
\*\*It pertains to Steel Melting Shop (SMS).

5	Non-current investments	As at 31 March 2020	As at 31 March 2019
	(a) Investment in equity instruments (at fair value through other comprehensive income)		
	Quoted, other than trade		
	Andhra Bank (31st March 2019 - 13,697) Equity Shares of Rs. 10/- each	-	3.28
	Central Bank of India (31st March 2019 - 1,523) Equity Shares of Rs. 10/- each	-	0.34
	Total	-	3.63
	(b) Investment in government securities (at amortised cost) National Savings Certificates	-	0.55
		•	0.55
	Total	-	4.18
	Aggregate carrying value of quoted investments		3.63
	Aggregate market value of quoted Investments		3.63
	Aggregate carrying value of unquoted investments		0.55
6	Other financial assets	As at 31 March 2020	As at 31 March 2019
	<u>Non-current</u>		
	Deposits with bank	728.47	808.40
	Security deposit	885.95	983.13
	Total	1,614.42	1,791.53
	Current		
	- Earnest money deposit	6.00	38.15
	- loan to body corporate	104.21	-
	Total	110.21	38.15

between the members of the m				
Non-Current   Capital advances   Total   Capital advances   Total advances   Tota	7	Other near current accets	As at	As at
Capital advances	′	other non-current assets	31 March 2020	31 March 2019
Capital advances		No. 6 and		
Current         Forward Advances of the than capital advances           - Balances with government authorities         1,565,04           - Balances with government authorities         7,099.29         7,814,02           - Advance for supplies         7,099.29         7,814,02           - Pre-paid expenses         0.06         11,13           1 Total         7,104.59         9,818,13           Total         8 As at 31 March 2002         9,818,13           Work in progres         8 As 31,172.46         1,913,44           Work in progress         3,172.46         1,913,44           Finished goods         3,182.50         661,60           Stores and spares         0,453.1         3,100,00           Total         4,838.30         3,100,00           10 The mode of valuation of inventories has been stated in Note 3(g).         4,838.00         3,100,00           (1) The mode of valuation of inventories has been stated in Note 3(g).         4,838.00         3,100,00           (2) It inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2020 (refer note 14).         3,100,00         1,266,00           (3) It inventory recognised as an expense         3,186,00         2,266,01         1,266,00         1,266,00         1,276,00         1,276,00				1.00
Current         Advances other than capital advances         1,565.04           - Advance to myployees         7,099.29         7,814.24           - Advance to employees         4.61         427.71           - Pre-paid expenses         6.0         11.13           Total         7,099.29         8,818.13           Rew materials         3,107.60         9,818.13           Work in progress         3,107.20         10.31           Finished goods         7,599.29         1.43.74           Stock in trade         3,137.24         1,913.44           Stock in trade         3,135.20         3.10           Stock in trade         3,535.00         3.10           Stores and spares         6,045.1         3,100.70           Total         8,383.1         3,100.70           Total         7,595.0         6,100.10           1,1913.4         1,1913.4         1,1913.4           Work in progress         3,100.20         3.15.6           1,500.6         7,595.0         6,100.20           1,500.6         7,595.0         3,100.20           1,500.6         7,595.0         3,100.20           1,500.6         1,500.20         3,100.20           1,1913.4<		· ·	-	
Advances other than capital advances		· ·	<u> </u>	1.00
Advances other than capital advances		Current		
Salances with government authorities   7,969,20   7,814,20   7,904,20   7,814,20   7,904,20   7,814,20   7,904,20   7,914,20   7,				
- Advance for supplies         7,999.29         7,814.24           - Advance to employees         0.06         1.11           Total         7,104.50         9,818.13           Nometrois         As at 31 March 2020         3,104.10           (Valued at lower of cost and net realisable value)         3,172.46         1,913.44           Raw materials         3,172.46         1,913.44           Vinction in progress         3,172.40         1,913.44           Vinction in trade         3,172.40         3,100.70           Stock in trade         3,173.40         3,100.70           Stock in trade         3,100.70         3,100.70           Total         4,883.70         3,100.70           Total         4,883.70         3,100.70           Total in which of valuation of inventories has been stated in Note 3(g).         4,883.70         3,100.70           (2) Inventories have been pledged as security against certain bank borrowings of the company as at 1 which provides the pledged as security against certain bank borrowings of the company as at 1 which provides the pledged as 1 metropy of 2,100.10         4,884.90         3,100.70           (2) Cost of inventory recognised as an expense         4,884.90         3,100.70         3,100.70         3,100.70         3,100.70         1,000.70         1,000.70         1,000.70		•	_	1.565.04
. Advance to employees		· · · · · · · · · · · · · · · · · · ·	7 099 29	
Per-paid expenses   0.60   3.11.5     Total		• • • • • • • • • • • • • • • • • • • •		
Found in the protection of the protection o		• •		
8 Inventories         As at 31 March 2009 31 March 2019           I Valued at lower of cost and net realisable value)         3,172.46 31,172.46 31,913.46           Raw materials         3,172.46 21,323.60         1,913.46           Work in progress         6.0         1,813.60         661.60           Finished goods         325.80         3.10.70         661.61         3.10.70           Stock in trade         606.15         381.00         3.100.70         <			7.104.50	
Numbroties   Num		•	·	· · · · · · · · · · · · · · · · · · ·
Valued at lower of cost and net realisable value    Raw materials   3,172.46   1,913.44     Work in progress   - 1   143.74     Finished goods   735.96   661.60     Stores and spares   604.51   381.99     Total   4,838.73   3,100.77     (1) The mode of valuation of inventories has been stated in Note 3(g).     (2) Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2020 (refer note 14).     (3) Cost of inventory recognised as an expense   As at 31 March 2020 (refer note 14).     Cost of materials consumed   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and stock-in-trade   43,894.95   27,660.31     Changes in inventories of finished goods and	_		As at	As at
Raw materials         3,172.46         1,913.44           Work in progress         -         143.74           Finished goods         735.96         661.60           Stores and spares         604.51         381.99           Total         4,838.73         3,100.77           (1) The mode of valuation of inventories has been stated in Note 3(g).         (2) Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2000 (refer note 14).         (3) Cost of inventory recognised as an expense           Particulars         As at year ended 31 March 2001         1 March 2019           Cost of materials consumed         43,894.95         27,660.31           Changes in inventories of finished goods and stock-in-trade         43,894.95         27,660.31           Stores and spares         3,316.66         2,226.31           Power and fuel consumed         6,457.13         5,825.16           Unsecured, considered good         13,476.20         31 March 2019           Unsecured, considered good         13,476.20         28,147.43           Doubtful         6,542.31         6,542.31           Less: Allowance for doubtful debts (expected credit loss allowance) (refer note below)         -6,542.31         -6,542.31	8	Inventories	31 March 2020	31 March 2019
Work in progress         1 43.74           Finished goods         735.96         661.60           Stock in trade         325.80         -           Stores and spares         604.51         381.99           Total         4,838.73         3,100.77           (1) The mode of valuation of inventories has been stated in Note 3(g).         2 (2) Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2020 (refer note 14):         3 (2) Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2020 (refer note 14):         3 (2) Inventories note 14 (2) (2) Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2020 (refer note 14):         4 (2) Inventories note 14 (2) (2) (2) (2) (2) (2) (2) (2) (2) (2)		(Valued at lower of cost and net realisable value)		
Finished goods         735.96         661.60           Stock in trade         325.80         -           Stores and spares         604.51         381.99           Total         4,838.73         3,100.77           (1) The mode of valuation of inventories has been stated in Note 3(g).         22 Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2020 (refer note 14).         31 March 2020         18 March 2020         18 March 2019         18 M		Raw materials	3,172.46	1,913.44
Stock in trade         325.80 (but not adde)		Work in progress	-	143.74
Stores and spares         604.51         381.99           Total         4,838.73         3,100.77           (1) The mode of valuation of inventories has been stated in Note 3(g).         (2) Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 200 (refer note 14).         (3) Cost of inventory recognised as an expense         As at Year ended 31 March 2020 (refer note 14).         Year ended 31 March 2020 (refer note 14).         31 March 2010 (refer note 14).         27,660.31 (refer note 14).         47.91 (refer note 14).		Finished goods	735.96	661.60
Total   4,838.73   3,100.77		Stock in trade	325.80	-
(1) The mode of valuation of inventories has been stated in Note 3(g). (2) Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2020 (refer note 14). (3) Cost of inventory recognised as an expense  Particulars  Cost of materials consumed Changes in inventories of finished goods and stock-in-trade Stores and spares Power and fuel consumed  Trade receivables  Cost of materials consumed Changes in inventories of finished goods and stock-in-trade Stores and spares As at 31 March 2019  Trade receivables  As at 31 March 2020  Unsecured, considered good Doubtful Less: Allowance for doubtful debts (expected credit loss allowance) (refer note below)  Cost of materials 2020 (refer note 14).  As at 31 March 2019  13,475.01 28,147.43 6,542.31		Stores and spares	604.51	381.99
(2) Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2020 (refer note 14). (3) Cost of inventory recognised as an expense  Particulars  Cost of materials consumed Changes in inventories of finished goods and stock-in-trade Stores and spares Power and fuel consumed  Trade receivables  Changes in expense  13,316.86 2,226.31 2,226.31 2,826.31 3,106.86 3,		Total	4,838.73	3,100.77
Cost of materials consumed   As at   Year ended   31 March 2020   31 March 2019		(1) The mode of valuation of inventories has been stated in Note 3(g).		
Particulars         As at 7 (2010)         Year ended 31 March 2020         31 March 2019           Cost of materials consumed         43,894.95         27,660.31           Changes in inventories of finished goods and stock-in-trade         -256.41         -47.91           Stores and spares         3,316.86         2,226.31           Power and fuel consumed         6,457.13         5,825.16           Trade receivables         As at 31 March 2020         31 March 2019           Unsecured, considered good Doubtful         13,475.01         28,147.43           Doubtful         6,542.31         6,542.31           Less: Allowance for doubtful debts (expected credit loss allowance)(refer note below)         -6,542.31         -6,542.31		(2) Inventories have been pledged as security against certain bank borrowings of the company as at 31 March 2	020 (refer note 14).	
Particulars         31 March 2020         31 March 2019           Cost of materials consumed         43,894.95         27,660.31           Changes in inventories of finished goods and stock-in-trade         -256.41         -47.91           Stores and spares         3,316.86         2,226.31           Power and fuel consumed         6,457.13         5,825.16           9 Trade receivables         As at 31 March 2020         As at 31 March 2020         31 March 2019           Unsecured, considered good Doubtful         13,475.01         28,147.43           Doubtful         6,542.31         6,542.31           Less: Allowance for doubtful debts (expected credit loss allowance)(refer note below)         -6,542.31         -6,542.31		(3) Cost of inventory recognised as an expense		
Cost of materials consumed         31 March 2020         31 March 2019           Changes in inventories of finished goods and stock-in-trade         -256.41         -47.91           Stores and spares         3,316.86         2,226.31           Power and fuel consumed         6,457.13         5,825.16           Pusecured, considered good         13,475.01         28,147.43           Doubtful         6,542.31         6,542.31           Less: Allowance for doubtful debts (expected credit loss allowance)(refer note below)         -6,542.31         -6,542.31		Particulars	As at	Year ended
Changes in inventories of finished goods and stock-in-trade         -256.41         -47.91           Stores and spares         3,316.86         2,226.31           Power and fuel consumed         6,457.13         5,825.16           Power and fuel consumed         As at 31 March 2020         31 March 2019           Unsecured, considered good Doubtful         13,475.01         28,147.43           Doubtful         6,542.31         6,542.31           Less: Allowance for doubtful debts (expected credit loss allowance) (refer note below)         -6,542.31         -6,542.31				
Stores and spares         3,316.86         2,226.31           Power and fuel consumed         6,457.13         5,825.16           9 Trade receivables         As at 31 March 2020         As at 31 March 2019           Unsecured, considered good Doubtful         13,475.01         28,147.43           Doubtful         6,542.31         6,542.31           Less: Allowance for doubtful debts (expected credit loss allowance)(refer note below)         -6,542.31         -6,542.31				
Power and fuel consumed         6,457.13         5,825.16           9 Trade receivables         As at 31 March 2020         As at 31 March 2019           Unsecured, considered good Doubtful         13,475.01         28,147.43           Doubtful         6,542.31         6,542.31           Less: Allowance for doubtful debts (expected credit loss allowance) (refer note below)         -6,542.31         -6,542.31				
9 Trade receivables         As at 31 March 2020         As at 31 March 2019           Unsecured, considered good Doubtful         13,475.01         28,147.43           Doubtful         6,542.31         6,542.31           Less: Allowance for doubtful debts (expected credit loss allowance)(refer note below)         -6,542.31         -6,542.31		•	,	•
9 Trade receivables         31 March 2020         31 March 2019           Unsecured, considered good Doubtful         13,475.01         28,147.43           Doubtful         6,542.31         6,542.31           Less: Allowance for doubtful debts (expected credit loss allowance)(refer note below)         -6,542.31         -6,542.31		Power and fuel consumed	6,457.13	5,825.16
Unsecured, considered good         13,475.01         28,147.43           Doubtful         6,542.31         6,542.31           Less: Allowance for doubtful debts (expected credit loss allowance)(refer note below)         -6,542.31         -6,542.31	a	Trade receivables	As at	As at
Doubtful 6,542.31 6,542.31 Less: Allowance for doubtful debts (expected credit loss allowance)(refer note below) -6,542.31 -6,542.31	,	- Indic receivables	31 March 2020	31 March 2019
Doubtful 6,542.31 6,542.31 Less: Allowance for doubtful debts (expected credit loss allowance)(refer note below) -6,542.31 -6,542.31		Unsecured, considered good	13,475.01	28,147.43
<u> </u>				
Total 13,475.01 28,147.43		Less: Allowance for doubtful debts (expected credit loss allowance)(refer note below)	-6,542.31	-6,542.31
		Total	13,475.01	28,147.43

## Note:

Expected credit loss (ECL):

As a practical expedient, the company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on the ageing of the trade receivables lying in books of accounts. The provision has been made basis pending reconcilations of ledger accounts and pending confirmations from certain Trade Receivables. The ECL allowance (or reversal) during the year is recognised in the statement of profit and loss.

	Movement in the expected credit loss allowance	As at 31 March 2020	As at 31 March 2019
	Balance at the beginning of the year	6,542.31	6,408.20
	Provision for doubtful debts (net)	-	134.11
	Balance at the end of the year	6,542.31	6,542.31
10	Cash and cash equivalents	As at 31 March 2020	As at 31 March 2019
	Balances with banks		
	- Current accounts	29.11	572.96
	Cash on hand	39.16	8.03
	Total	68.27	581.00
11	Current tax assets (net)	As at 31 March 2020	As at 31 March 2019
	Income tax payments (net of provisions)	125.50	77.99
	Total	125.50	77.99

12 Equity share capital  Authorised	As at 31 March 2020	As at 31 March 2019
5,00,00,000 (31st March 2019 - 5,00,00,000, 1 April 2018 - 5,00,00,000) Equity Shares of Rs. 10/- each	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, subscribed and fully paid-up*		
5,00,00,000 (31st March 2019 - 4,24,12,920, 1 April 2018 - 4,24,12,920) Equity Shares of Rs.10/- each fully Paid up	5,000.00	4,241.29
	5,000.00	4,241.29

<sup>\* 5,00,00,000</sup> equity shares allotted as fully paid up pursuant to plan approved by the Hon'ble NCLT via order dated 08 April 2019. Equity shares allotted prior to date of NCLT order stand extinguished without any payout.

## A. Reconciliation of number of equity shares outstanding at the beginning and at the end of the period

	As at 31 Ma	arch 2020	As at 31 March 2019	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	42,412,920	4,241.29	42,412,920	4,241.29
Less: reduction without payout as per order by The Hon'ble NCLT via order dated 08 April 2019.	-42,412,920	-4,241.29	-	-
Add: Issued at the time of takeover as per the terms of approved resolution plan by The Hon'ble NCLT via order dated 08 April 2019:				
to SIPL nominee companies	34,999,993	3,500.00		
to the existing financial creditors by way of conversion of outstanding debt into equity	15,000,007	1,500.00	-	
Balance as at the end of the year	50,000,000	5,000.00	42,412,920	4,241.29

## B. Rights, preferences and restrictions attaching to equity shares

The Company has equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the shareholders of equity shares of the company are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

## C. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

	As at 31	March 2020	As at 31 I
Name of the Shareholder	Number	% of total shares in the class	Number
Shakambari Tie-Up Private Limited	10,000,000	20%	-
Krishna Sudama Markeing Private Limited	3,000,000	6%	-
wapno Marketing Private Limited	8,000,000	16%	-
Aryavrat Plot Managers Private Limited	8,000,000	16%	-
BMS Sales Private Limited	5,999,993	12%	-
ndian Overseas Bank	2,650,456	5%	-
Allahabad Bank	2,679,691	5%	-
Cheksons Broking Co. (P) Ltd.	-	-	18,692,700
Techmart Broking Co. (P) Ltd.	-	-	15,883,020

## 13 Other Equity

Refer statement of changes in equity for detailed movement in equity balance

A.	Summary of other equity balance		1 April 2019	Movement during the year	31 March 2020	1 April 2018	Movement during the year
	Security premium amount	(a)	11,775.17	-11,775.17	-	11,775.17	-
	Amalgamation reserve	(b)	1,108.88	-1,108.88	-	1,108.88	-
	General reserve	(c)	250.00	-250.00	-	250.00	-
	Business Re-organisation Reserve	(d)	-	48,064.86	48,064.86	-	-
	Revaluation Reserve*	(e)	-	11,909.71	11,909.71	-	-
	Retained earnings*	(f)	-70,591.57	19,007.74	-51,583.83	-69,916.64	-674.93

## SPS STEELS ROLLING MILLS LIMITED

es to the financial statements for the year end	ed 31	March 2020 (Continued	d)			
Equity instruments through other	(a)	-14.06	14.06		-10.88	nt in Rs. Lakh
comprehensive income	(g)	-14.00	14.00		-10.66	-3.1
Total		-57,471.59	65,862.32	8,390.73	-56,793.48	-678.1
*		Revaluation Reserve		Retained earnings		
Opening Balance		-		-70,591.57		
Additions on Revaluation		13,369.00		-		
Additional Depreciation due to Revaluation		-1,459.29		1,459.29		
Profit / (loss) for the year		-		17,551.45		
Prior period error		-		-3.00		
Net Movement during the year		11,909.71		19,007.74		
Closing Balance		11,909.71		-51,583.83		

During the year, revaluation of Fixed Assets has (Net addition of INR 13369.00 lakhs) been done as per the Report of Registered Valuer. Depreciation on the enhanced amount on revaluation amounting to INR 1459.29 lakhs has been transferred from revaluation reserve to Retained Earnings.

## B. Nature and purpose of reserves

- (a) **Securities premium amount**: Securities premium account represents the premium received on issue of shares over and above the face value of equity shares, however same was transferred to Business Re-organisation Reserve as received on equity shares alloted prior to date of NCLT order.
- (b) Amalgamation reserve: Amalgamation reserve represents the unutilized accumulated surplus created at the time of amalgamation of another company with the Company, however same was transfered to Business Re-organisation Reserve as created prior to date of NCLT order.
- (c) **General Reserve:** The Company has transferred a portion of the net profit of the company to general reserve pursuant to the earlier provisions of Companies Act 1956, however same was transferred to Business Re-organisation Reserve as created prior to date of NCLT order.
- (d) **Business Re-organisation Reserve:** Business Re-organisation Reserve is the reserve which is created by transfering capital items such as the share capital, reserves, loans and deposits outstanding prior to take over as per NCLT Order and not admitted by RP (Resolution Professional). This reserve is not available for distribution of dividend.
- (e) **Revaluation Reserve:** Revaluation reserve is the reserve which is created when any Fixed Asset/ Non Current Asset(As Per IFRS) is revalued upwards. This reserve is not available for distribution of dividend.
- (d) **Retained earnings**: This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.
- (e) **Equity instruments through other comprehensive income**: Company has designated an investment in equity instrument at fair value through other comprehensive income in which cumulative changes in fair value of such instrument is accumulated in a separate reserve 'equity instruments through other comprehensive income' within other comprehensive income.

4 Borrowings	As at 31 March 2020	As at 31 March 2019
A) Non-current borrowings	<u> </u>	31 Waren 2013
Secured		
Loan from bank		
- Term loans from Punjab National Bank		
in the books of Shakambhari Ispat & Power Ltd on behalf of SPS	16,647.13	-
Less: Current maturities of non-current borrowings	-800.00	-
- Term loans from IOB	-	187.50
Less: Current maturities of non-current borrowings	-	-187.50
- Working capital Term Loan (WCTL)from IOB	-	8,845.38
Less: Current maturities of non-current borrowings	-	-8,845.38
- Funded Interest Term Loan (FITL) from IOB	-	2,418.54
Less: Current maturities of non-current borrowings	-	-2,418.54
Unsecured		
Loans from bodies corporate	5,000.00	8,025.63
Less: Current maturities of non-current borrowings	-	-8,025.63
Total	20,847.13	-

## Secured loan

## 1.Punjab National Bank:

#### Security:

Secured by exclusive first charge by way of hypothecation of entire fixed assets, entire current assets and other assets of the company, present at the time of takeover, 2nd charge on entire current assets both present & future of unit located at Dr Zakir Hussain Avenue, GT Road, Durgapur, West Baengal & guarantee of the directors of the company and relative of directors and corporate guarantee of group companies.

#### Repayment terms:

**Term loan** - Term loan from Punjab National Bank , carries interest @ base rate plus a spread of 2.05% p. a. and is repayable in 20 quarterly instalments varying from Rs. 4 Crore to Rs.12.25 Crore beginning from September 2019.

Unsecured loan Body Corporate: The loans are interest free and are taken without any stipulations for repayment.

For current maturities of non-current borrowings refer disclosure under the head other financial liabilities - current (refer note 16)

14(B) Current borrowings	As at 31 March 2020	As at 31 March 2019
<u>Secured</u>		
Working capital loan from banks	-	37,401.32
- Working capital loans from Punjab National Bank		
in the books of Shakambhari Ispat & Power Ltd on behalf of SPS	5,209.33	-
<u>Unsecured</u>		
Loans from bodies corporate	40.05	-
	5,249.38	37,401.32

## Nature of security

Secured by hypothecation of all current assets present & future, including Stocks, book debts and other current assets of the company of unit located at Dr Zakir Hussain Avenue, GT Road, Durgapur, West Bengal with second charge on the company's fixed assets at said unit.

## Rate of interest

Working capital loan from bank carries interest @ base rate plus a spread of 2.05% p. a.

15	Other financial liabilities	As at	As at
		31 March 2020	31 March 2019
	Non - Current		
	Total		-
	<b>6</b>		
	Current maturities		
	- term loan from bank	800.00	11,451.42
	- loan from body corporate	-	8,025.63
	Liability to MSTC Ltd	_	17,559.81
	Accrued compensation to employees*	_	23.30
	Total	800.00	37,060.15
	* Liabilities for accrued compensation to employees includes provision for bonus		
16	Provisions	As at	As at
10	Tiovisions	31 March 2020	31 March 2019
	Non-current Provisions for ampleuse handits		
	Provisions for employee benefits	186.26	364.34
	- Provision for gratuity - Provision for leave salary	22.48	46.89
	Total	208.74	411.22
	i otal	200.74	411.22
	Current		
	Provisions for employee benefits		
	- Provision for gratuity	17.84	74.03
	- Provision for leave salary	2.89	3.94
	Total	20.73	77.97
17	Trade payables	As at	As at
		31 March 2020	31 March 2019
	Dues to Micro And Small Enterprises (as per the intimation received from vendors)		
	a. The principal amount and the interest due thereon remaining unpaid to any	-	-
	supplier as at the end of accounting year		
	b. Interest paid by the buyer under MSMED Act, 2006 along with the amounts of the		
	payment made to the supplier beyond the appointed day during each accounting year	-	-
	c. Interest due and payable for the period (where the principal has been paid but	_	
	interest under the MSMED Act, 2006 not paid)		
	d. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
	e. Interest due and payable even in the succeeding year, until such date when the		
	interest due and payable even in the succeeding year, drift such date when the	_	_
	disallowance as a deductible expenditure under section 23.		
	·		

## SPS STEELS ROLLING MILLS LIMITED

Notes to the financial statements for the year ended 31 March 2020 (Continued)

		A	mount in Rs. Lakhs
	es to others		
	or goods and services	905.61	23,194.03
	or other expenses	4,305.19	3,207.14
Tota	al	5,210.79	26,401.17
18 Oth	er liabilities	As at 31 March 2020	As at 31 March 2019
		31 14181111 2020	31 Watch 2013
Adv	vance from customers	798.51	1,910.07
Stat	tutory liabilities	107.47	634.17
Tota	al	905.98	2,544.24
.9 Rev	renue from operations	As at	As at
Cala	a of products	31 March 2020	31 March 2019
	e of products inished goods	77,545.07	47,290.74
	raded goods	2,436.44	47,290.74
	•		
	ss revenue from sale of products and services including GST of Rs 12758.33 lakhs Rs. Rs.7400.15 lakhs)	79,981.52	47,290.74
	ner operating revenues	4 244 40	054.54
	Sale of raw material/ stores al revenue from operations	1,314.18 <b>81,295.70</b>	851.51 <b>48,142.25</b>
0 Oth	er income	As at 31 March 2020	As at 31 March 2019
Inte	erest income comprises interest from:		
- De	eposits with banks - carried at amortised cost	67.58	7.22
Oth	er non-operating income		
	ralty Income	-	22.64
	cellaneous receipt	10.13	20.00
Tota	al		49.86
)1 Cost	t of materials consumed	As at	As at
.1 C03	t of materials consumed	31 March 2020	31 March 2019
Inve	entory of raw materials at the beginning of the year	1,913.44	3,648.12
	ess: Stock taken by MSTC on Settlement	-864.01	-,
	.dd: Purchases	46,017.98	25,925.63
		47,067.41	29,573.75
Le	ess: Inventory of raw materials at the end of the year	-3,172.46	-1,913.44
Cost	t of materials consumed	43,894.95	27,660.31
) Dur	chase of traded goods	As at	As at
	enace of stanca Books	31 March 2020	31 March 2019
Purc	chase of traded goods	2 UED 31	_
Puro <b>Tot</b> a	chase of traded goods al	2,069.34 <b>2,069.34</b>	-

23	Change in inventories of finished goods and stock in trade	As at 31 March 2020	As at 31 March 2019
	Opening stock		
	Finished goods	661.61	635.67
	Traded goods	<del>-</del>	6.65
	Work in progress	143.74	115.12
	Closing inventories		
	Finished goods	-735.96	-661.61
	Traded goods	-325.80	-
	Work in progress	<u></u>	-143.74
	Total	-256.41	-47.91
24	Employee benefits expense	As at	As at
		31 March 2020	31 March 2019
	Salaries and wages (including managerial remuneration)	1,179.00	1,090.68
	Contribution to provident and other funds	196.69	155.30
	Staff welfare expenses	20.42	12.56
	Total	1,396.11	1,258.54
25	Finance costs	As at	As at
		31 March 2020	31 March 2019
	Literature and a second		
	Interest expense	2.007.60	
	- on borrowings measured at amortised cost - others	2,087.68 11.79	3.51
	Total	2,099.47	3.51
			3.51
26	Other expenses	As at 31 March 2020	As at 31 March 2019
	Stores and consumables	3,316.86	2,226.31
	Power and fuel consumed	6,457.13	5,825.16
	Processing Labour Charges Water charges	1,457.79 29.95	1,243.17 24.28
	Rates and taxes	30.71	30.55
	Insurance charges	6.76	21.74
	Bank charges	80.34	1.86
	Rent	15.77	25.71
	Repairs and maintenance		
	- Buildings	28.36	15.50
	- Plant and machinery	35.76	15.54
	- Others	86.22	156.37
	Security Charges	230.21	268.86
	Telephone Expenses	8.61	15.21
	Travelling and conveyance	1.60	16.06
	Payment to auditor (Refer note 28(a))	1.85	1.85
	Legal and professional charges CSR expenditure	168.13 3.23	893.97 -
	Freight charges	221.09	- 79.71
		122 2/	71 60
	Commission on sales	123.24 2.678.38	71.60 84.83
	Commission on sales Business Promotion Expenses	2,678.38	84.83
	Commission on sales		
	Commission on sales Business Promotion Expenses Advertisement expense	2,678.38	84.83 669.58

#### SPS STEELS ROLLING MILLS LIMITED

Notes to the financial statements for the year ended 31 March 2020 (Continued)

reduces to the infancial statements for the year chaca 31 march 2020 (continued)		
	A	mount in Rs. Lakhs
(a) Payment to auditor	As at	As at
(a) Fayinent to additor	31 March 2020	31 March 2019
As auditor:	·	
- Statutory audit	1.50	1.50
- Tax audit	0.35	0.35
	1.85	1.85
27 Deferred tax liabilities and assets		
	As at	As at
	31 March 2020	31 March 2019
Deferred tax assets		
Others	21,257.57	22,539.80
Deferred tax liability		
Property, Plant and Equipment	-3,458.60	-498.86
Net deferred tax asset not recognised in Balance Sheet	17,798.97	22,040.94

The Company has recognised deferred tax assets only to the extent of deferred tax liabilities arising during the year. In assessing the realizability of deferred tax assets, management considers whether some portion or all of deferred tax assets will not be realized. The ultimate realization of deferred tax assets and tax loss carry forwards is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and tax planning strategy in making this assessment. Based on the level of historical taxable income and projections of future taxable income over the periods in which deferred tax assets are deductible, management believes that the Company will realise the benefits of those recognized deductible differences. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognized in respect of tax losses carried forward by the Company. Of the above, some tax losses expire at various dates.

## Income taxes

A.	Income tax expense recognised in profit or loss		As at	As at
			31 March 2020	31 March 2019
	Current tax			
	Current period		-	-
	MAT credit entitlement		-	-
		Α	-	-
	Deferred tax			
	Deferred tax for the year	В	-	-
	Tax expense reported in the statement of		-	_
	profit and loss [(A)+(B)]			
_	Income tax recognised in other		As at	As at
В.	comprehensive income		31 March 2020	31 March 2019
	Deferred tax			
	On items that will not be reclassified to profit or loss		-	-
	Income tax expense reported in the			
	statement of profit and loss		-	-
	statement of pront alla 1033			

## 28 Basic and diluted earnings per share (Ind AS 33)

		As at 31 March 2020	As at 31 March 2019
(a)	Profit attributable to equity shareholders of the company used in calculating basic earnings per share (Rs. in lakhs)	17,551.45	-519.66
(b)	Profit attributable to equity shareholders of the company used in calculating diluted earnings per share (Rs. in lakhs)	17,551.45	-519.66
(c)	Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share	50,000,000	42,412,920
(d)	Weighted average number of ordinary shares in computing diluted earnings per share	50,000,000	42,412,920
(g)	Earnings per share on profit for the year (Face Value Rs. 10/- per share)  - Basic [(a)/(c)]  - Diluted [(b)/(d)]	35.10 35.10	-1.23 -1.23

29 Due to outbreak of Covid-19 globally and in India, the Group has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risk because of Covid-19. The Group is in the business of manufacturing steel/steel products, which are connected with activities that are fundamental to the Indian economy. The demand for the Group's products are expected to be lower in the short term, though the same is not likely to have a continuing impact on the business of the Group. Further, the Management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Group, in the long-term.

## 30 Contingent liability and commitments (Ind AS 37)

On April 8, 2019, the National Company Law Tribunal ("NCLT") approved the terms of the Resolution Plan submitted by Shakambhari Ispat and Power Limited ("SIPL"), which provides, inter alia, the acquisition of the Company by SIPL. As per the Resolution Plan, the contingent liabilities and commitments, claims and obligations, stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof.

## SPS STEELS ROLLING MILLS LIMITED

Notes to the financial statements for the year ended 31 March 2020 (Continued)

Amount in Rs. Lakhs

- 31 Corporate Guarantees- Continuation to Note on Contingent Liability
  - No Corporate guarantee is issued to any Bank or Financial Institution during the year.
- 32 Exceptional Items Corporate Insolvency and Resolution Process ("CIRP') costs of INR 134.59 lakhs and Effects of implementation of resolution plan by transerring trade receivables & payables (net) outstanding prior to take over as per NCLT Order and not admitted by RP (Resolution Professional) of INR 16767.67 lakhs are accounted under exceptional items in the current year.

## 33 Segment information

The business of the company falls under a single operating segment i.e. manufacturing and trading of iron and steel products. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The information relating to revenue from external customers and location of non-current assets of its single reportable segment has been disclosed as below:

(a) Revenue from operations	As at	As at
	31 March 2020	31 March 2019
Particulars		
within India	81,295.70	48,142.25
outside India		-
Total	81,295.70	48,142.25

## (b) Non-current assets

All Non-current assets are located in India.

## (c) Customer contributing more than 10% of Revenue

Revenue from two external customer is approximately Rs. 17716 Lakhs representing 21.79% of company's total revenue for the year ended 31 March 2020. Apart from the aforesaid two customer, the Company does not have a significant credit risk exposure to any other single counterparty.

## 34 Disclosure as per Ind AS 17 'Leases'

## Operating leases - Leases as lessee

The Company's significant leasing arrangements are in respect of operating leases of land for commercial use (factory and office). Lease rent for the year has been charged to the Statement of Profit and Loss and included under 'Rates and taxes'/'Rent' in Note 26.

## 35 Employee Benefits

## (a) Defined contribution plans:

Contribution to defined contribution plans, recognised as expense for the year are as under:

As at As at **Particulars** 31 March 2020 31 March 2019 71.45 88.06

Employer's contribution to Provident Fund and ESIC

## (b) Defined benefit plans:

Statement of Assets and Liabilities for defined benefit obligation

	Leave En	cashment	Grat	uity
	As at	As at	As at	As at
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Net defined benefit obligation	25.36	50.83	204.10	438.36
Net defined benefit asset		-	-	-
Total employee benefit liabilities	25.36	50.83	204.10	438.36
Non-current	22.48	46.89	186.26	364.34
Current	2.89	3.94	17.84	74.03

## Defined benefits - Gratuity (Unfunded)

The Company has a defined benefit gratuity plan. The provisions are made in accordance with Payment of Gratuity Act 1972, as amended up to date. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of Rs. 10 lakhs on superannuation, resignation, termination, disablement or on death. The maximum ceiling of Rs. 10 lakhs has been recommended for enhancement to Rs. 20 lakhs by the Report of the 3rd Pay Revision Committee appointed by the GOI. The Company has carried out actuarial valuation of gratuity benefit considering the enhanced ceiling.

These defined benefit plans expose the Company to actuarial risks, interest risk and market (investment) risk.

## Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following tables analyse present value of defined benefit obligations, expense recognised in statement of Profit and Loss, actuarial assumptions

Reconciliation of the net defined benefit (asset)/ liabilit	Reconciliation o	t the net defin	ed benefit (a	asset)/ liab	ilitv:
---	------------------	-----------------	---------------	--------------	--------

	Leave En	cashment	Grat	uity
(i) Reconciliation of present value of defined benefit obligation	As at	As at	As at	As at
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
(a) Balance at the beginning of the year	F0.03	F1 42	420.26	204.00
(b) Current service cost	50.83 7.96	51.43 2.45	438.36 24.83	381.89 36.12
(c) Interest cost	3.81	3.96	32.88	29.41
(d) Past service cost	-	5.50	-	-
(e) Actuarial (gains)/ losses recognised in other comprehensive				
income				
- demographic assumptions	-0.01	_	-0.10	-
- financial assumptions	2.02	0.83	16.20	7.20
- experience adjustment	24.26	-5.52	13.40	10.29
(f) Benefits paid	-63.51	-2.32	-321.47	-26.54
(g) Balance at the end of the year	25.36	50.83	204.10	438.36
(*) F		cashment	Grat	•
(ii) Expense recognised in Profit or Loss	As at	As at	As at	As at
(a) Current capies cost	31 March 2020 7.96	31 March 2019 2.45	31 March 2020 24.83	31 March 2019 36.12
(a) Current service cost (b) Interest cost	3.81	3.96	32.88	29.41
(c) Past service cost	5.61	3.90	32.88	23.41
(d) Actuarial (gains) / losses	26.27	-4.69	_	_
Amount charged to Profit or Loss	38.04	1.72	57.70	65.53
		cashment	Grat	uity
(iii) Remeasurements recognised in Other Comprehensive Income	As at	As at	As at	As at
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
(a) Actuarial loss/ (gain) arising on defined benefit obligation from				
(a) / location 1000/ (Barry anoming on actinical periodic configuration from				
- demographic assumptions	-0.01	-	-0.10	-
- financial assumptions	2.02	-	16.20	7.20
- experience adjustment	24.26	-	13.40	10.29
(b) Actual return on plan asset less interest on plan asset				
(b) Actual return on plan asset less interest on plan asset				
Amount recognised in Other Comprehensive Income	26.27	-	29.50	17.49
Amount recognised in Other Comprehensive Income		- ecashment	29.50 Grat	
Amount recognised in Other Comprehensive Income  (iv) Reconciliation of present value of plan assets				
	Leave En	cashment	Grat	uity
	Leave En	cashment As at	Grat As at	uity As at
(iv) Reconciliation of present value of plan assets  (a) Balance at the beginning of the year (b) Investment Income	Leave En	cashment As at	Grat As at	uity As at
(iv) Reconciliation of present value of plan assets  (a) Balance at the beginning of the year (b) Investment Income (c) Return on Plan Assets, excluding amount recognised in Net	Leave En	cashment As at	Grat As at	uity As at
(iv) Reconciliation of present value of plan assets  (a) Balance at the beginning of the year (b) Investment Income (c) Return on Plan Assets, excluding amount recognised in Net Interest Expense	Leave En  As at  31 March 2020	As at 31 March 2019	Grat As at 31 March 2020	uity As at 31 March 2019
(iv) Reconciliation of present value of plan assets  (a) Balance at the beginning of the year (b) Investment Income (c) Return on Plan Assets, excluding amount recognised in Net Interest Expense (d) Contributions by the employer	Leave En As at 31 March 2020 63.51	As at 31 March 2019 2.32	Grat As at 31 March 2020 321.47	uity As at 31 March 2019 26.54
(iv) Reconciliation of present value of plan assets  (a) Balance at the beginning of the year (b) Investment Income (c) Return on Plan Assets, excluding amount recognised in Net Interest Expense	Leave En  As at  31 March 2020	As at 31 March 2019	Grat As at 31 March 2020	uity As at 31 March 2019

(v) Actuarial assumptions	Leave Encashment		Gratuity	
	As at	As at	As at	As at
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Discount rate (in %)	6.60%	7.50%	6.60%	7.50%
Expected rate of salary increase (in %)	5.00%	5.00%	5.00%	5.00%
Retirement age (years)	58	58	58	58
Average future service (years)	18.6	16.12	18.6	16.12

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

(vi) Sensitivity analysis	Leave Encashment		Gratuity		
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	
Defined benefit obligation on discount rate plus 100 basis points	27.99	55.36	224.92	477.75	
Defined benefit obligation on salary growth rate plus 100 basis points	22.93	46.44	185.40	402.67	
Defined benefit obligation on attrition rate plus 50 basis points	24.97	49.90	201.92	430.22	
Defined benefit obligation on mortality rate plus 50 basis points	25.31	50.67	203.68	437.00	
Defined benefit obligation on discount rate minus 100 basis points	23.13	46.88	186.22	404.36	
Defined benefit obligation on salary growth rate minus 100 basis points	28.19	55.80	225.55	478.02	
Defined benefit obligation on attrition rate minus 50 basis points	25.71	51.67	205.99	445.66	
Defined benefit obligation on mortality rate minus 50 basis points	25.42	50.99	204.50	439.70	
(vii) Weighted average duration of defined	Leave Er	eave Encashment Gratuity			
benefit obligation (based on discounted cash flow)	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	
In years	10	9	10	9	
(viii) Maturity profile of defined benefit	Leave Encashment		Gratuity		
	As at	As at	As at	As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	
Within the next 12 months	2.89	3.94	17.84	74.03	
Between 1 and 5 years	5.76	12.67	52.96	114.51	
Between 5 and 10 years	9.35	22.92	82.54	174.91	
More than 10 years	37.94	70.35	283.39	610.21	

## 36 Related Party Disclosures

Key Management Personnel (KMP)

Nature of Relationship

Mr. Deepak Kumar Agarwal Chairman & Managing Director (CMD)

Mr. Ramabatar Agarwal Executive Director (ED)
Mr. Sanjay Kumar Chowdhary Executive Director (ED)

## Enterprises owned or significantly influencedby key management personnel or their relatives

Shakambhari Ispat & Power Ltd. Bravo Sponge Iron Pvt. Ltd. Eloquent Steel Pvt. Ltd. Shivratri Vyapaar Pvt.Ltd.

(Amount in Rs.)

Nature of transaction	Name of related party	Name of related party		year ended
			3/31/2020	3/31/2019
Purchase of Goods	Shakambhari Ispat & Power Ltd.		754,286,447	-
	Bravo Sponge Iron Pvt. Ltd.		2,224,524,503	-
	Eloquent Steel Pvt. Ltd.		730,177,542	-
	Shivratri Vyapaar Pvt.Ltd.		29,502,580	-
Sale of Goods	Shakambhari Ispat & Power Ltd.	Shakambhari Ispat & Power Ltd.		-
	Bravo Sponge Iron Pvt. Ltd.		52,007,142	-
	Eloquent Steel Pvt. Ltd.		135,657,122	-
Receiving of Service	'			
Director Remuneration	Mr. Deepak Kumar Agarwal		1,664,516	-
Unsecured Loan Received/(Paid ) (Net)	Shakambhari Ispat & Power Ltd.	(Term Loan- PNB)	1,664,712,696	-
	Shakambhari Ispat & Power Ltd.	(Cash Credit- PNB)	520,932,548	-
	Shakambhari Ispat & Power Ltd.	(Loan - Long Term)	500,000,000	-
	Shakambhari Ispat & Power Ltd.	(Loan - Short Term)	4,004,958	-

## SPS STEELS ROLLING MILLS LIMITED

Notes to the financial statements for the year ended 31 March 2020 (Continued)

Amount in Rs. Lakhs

Name of related party	Balance for	Balance for the year ended		
	3/31/2020	3/31/2019		
Shakambhari Ispat & Power Ltd.	-2,691,576,49	-17,308,860		
Eloquent Steel Pvt. Ltd.	5,02	-		
Shivratri Vyapaar Pvt.Ltd.	183,297,420	-		
Mr. Deepak Kumar Agarwal	-560,000			

## Terms and conditions of transactions with related parties

The purchase from related party are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions during last financial year. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Note: Transaction with related parties of Erstwhile management have not been disclosed in respect of the period prior to NCLT Order.

## 37 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

#### Risk management framework

The Company's principal financial liabilities comprises of borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets include investments, trade receivables, cash and cash equivalents, loans and other financial assets that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which is periodically approved by the board of directors.

#### (i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally form the Company receivables from customers and loans. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/ investing activities, including deposits with bank and investments. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

## Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Details of concentration percentage of revenue generated from top customer and top five customers are stated below:

Particulars	Year ended 31st March 2020		Year ended 31st March 2019	
raiticulais				
	%	Amount	%	Amount
Revenue from a top customer	11.01%	8,946.81	12.31%	5,925.96
Revenue from top five customers	40.79%	33,156.54	41.87%	20,159.18

## (ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, finding as well as settlement management. In addition, Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

## **Exposure to liquidity risk**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

## **Particulars**

As at 31 March 2020	Less than 1 year	1-5 years	> 5 years	Total
Borrowings	5,249.38	-	-	5,249.38
Trade payables	5,210.79	-	-	5,210.79
Other financial liabilities	800.00	-	-	800.00
	11,260.17	-	-	11,260.17
As at 31 March 2019	Less than 1 year	1-5 years	> 5 years	Total
		•		
Borrowings	37,401.32	-	-	37,401.32
Borrowings Trade payables	37,401.32 26,401.17	, -	•	
3	,		-	37,401.32

## (iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument . The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, payables and borrowings.

## (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

## Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

Particulars	31 March 2020	31 March 2019
Fixed rate instruments		
Financial assets	728.47	808.40
Financial liabilities	(22,656.45)	(48,852.74)
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-

## Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

## (b) Equity price risks

The Company is not exposed to equity risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

## (c) Currency risk

The Company does not have currency risks since it is not exposed to any foreign currency transaction.

## 38 Capital management (Ind AS 1)

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to: (a) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company's equity share capital comprises of 5,00,00,000 shares as on 31st March, 2020 (4,24,12,290 shares as on 31st March, 2019) of Rs. 10 each aggregating to Rs. 5,000.00 as on 31st March, 2020 (Rs. 4,241.23 as on 31st March, 2019). Other equity aggregates to Rs. 8390.73 (Rs. 56,793.48 as on 31st March, 2019)

Its total debt is Rs. 26896.50 as on 31st March 2020 (Rs. 56,878.37 as on 31st March, 2019)

#### 39 Financial instruments and related disclosures

## 39.1 Fair value measurement

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchange in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The management assessed that trade receivables, cash and cash equivalent, trade payable and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of there instruments.

The company uses the discounted cash flow techniques (in relation to interest-bearing borrowings and loans) which involves determination of present value of expected receipt/payment discounted using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair value so determined is classified as Level 2.

## 39.2 Financial instruments by category

The following table shows fair values of financial assets and liabilities, including their levels in financial hierarchy, together with the carrying amounts shown in the statement of financial position.

			As	As at		As at	
			31st Marc	ch 2020	31st Marc	ch 2019	
		Note No.	Carrying	Fair value	Carrying	Fair value	
		Note No.		Level 3		Level 3	
_							
A.	Financial assets:						
a)	Measured at amortised cost						
	Investments	5	-	-	0.55	-	
	Other financial assets	6	1,724.63	-	1,829.68	-	
	Trade receivables	9	13,475.01	-	28,147.43	-	
	Cash and cash equivalents	10	68.27	-	581.00	-	
b)	Meaured at fair value through	1					
	other comprehensive income						
	Investments	5	-	-	3.63	3.63	
В.	Financial liabilities:						
a)	Measured at amortised cost						
•	Borrowings	14	26,096.50	-	37,401.32	-	
	Other financial liabilities	15	800.00	_	37,060.15	_	
	Trade payables	17	5,210.79	-	26,401.17	-	

<sup>45</sup> Previous year figures have been reclassified / regrouped wherever necessary to correspond to this year's figures.

As per our report of even date attached For Uttam Agarwal & Associates Chartered Accountants FRN: 322455E

For and on behalf of the Board

CA Gaurav Agarwal	Deepak Kumar Agarwal	Sanjay Kumar Chowdhary
Partner	Director	Director
Membership No: 307455	DIN: 00646153	DIN: 08402623
Place: Kolkata		

Dated: July 31,2020 Binod Kumar Agrawal Ashutosh Sharma
UDIN: 20307455AAAACG8183 Chief Financial Officer Company Secretary

## **NOTES**


## **NOTES**

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# **SPS Steels Rolling Mills Limited**

**Regd. Office:** - "Diamond Heritage", 16, Strand Road, 5th Floor, Room No H 523 A, Kolkata-700001 Corporate Office: "Diamond Prestige", 41 A, A.J.C Bose Road, 7<sup>th</sup> Floor, Kolkata-700017 **Website-** www.spsgroup.co.in, **E-Mail:** compliance@shakambharigroup.in, **Phone:** 033-6625 5252

**CIN -** L51909WB198111PLC034409

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## ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the hall:

I, hereby record my attendance at the 38<sup>th</sup> Annual General Meeting of SPS Steels Rolling Mills Limited will be held on Wednesday, the 30th day of September, 2020 at 03.00 P.M at the Corporate Office of the Company at Diamond Prestige ,41 A A.J.C Bose Road,7th Floor, Room No.701, Kolkata-700017

DP ID :		(	CLIENT ID:		
NA	NAME AND ADDRESS OF SHAREHOLDER		FOLIO NO.		
	S)				
SIGNATURE OF THE S	HARE HOLDER OR PROXY	·			
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	×2	<b>K</b>	<i>}</i>	<b>&lt;</b>	
EVI	-N				
(Electronic Voting		ι	JSER ID		PASSWORD/PIN
44.4		<u>`</u>			,

Note: E-voting period:27th September, 2020 at 10.00 a.m IST and ends on 29th September, 2020 at 05.00 p.m. IST.

If you have any query regarding e-voting Password/PIN, please contact at helpdesk.evoting@cdslindia.com

(Member's /Proxy's Signature)

## Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

# **SPS Steels Rolling Mills Limited**

**Regd. Office: -** "Diamond Heritage", 16, Strand Road, 5th Floor, Room No H 523 A, Kolkata-700001 Corporate Office: "Diamond Prestige", 41 A, A.J.C Bose Road, 7<sup>th</sup> Floor, Kolkata-700017

**Website-** www.spsgroup.co.in, **E-Mail:** compliance@shakambharigroup.in, **Phone:** 033-6625 5252 **CIN -** L51909WB198111PLC034409

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## Form No. MGT-11

## Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Registered Address

of the Meeting.

2) The proxy need not be a member of the company

E-IIIdii II	u	Folio No / Client ID			
/We, being the member(s) of		shares of the above named company. Hereby a		ppoint	
Name :			E-mail Id:		
Address	s:		I		
ignatu	re , or failing him				
lame :			E-mail Id:		
ddress	5		I		
ignatu	re , or failing him				
Name :			E-mail Id:		
ddress	S:		1		
gnatu	re , or failing him				
urnme lution	ent thereof in respect of such resolutions as are indicated below:  No.				
No.	Resolution(S)	1		For	Vote
	Adoption of Audited Financial Statements of the Company for the fin		2020 and the reports of	For	Vote Against
	Adoption of Audited Financial Statements of the Company for the fin the Directors' and Auditors' thereon.  To appoint a Director in place of Mr. Sanjay Kumar Chowdhary (DIN-	nancial year ended 31st March,		For	
	Adoption of Audited Financial Statements of the Company for the fin the Directors' and Auditors' thereon.	nancial year ended 31st March, 08402623) who retires by rota		For	
2. 3.	Adoption of Audited Financial Statements of the Company for the fin the Directors' and Auditors' thereon.  To appoint a Director in place of Mr. Sanjay Kumar Chowdhary (DIN- offers himself for re-appointment.	nancial year ended 31st March, 08402623) who retires by rota		For	
2. 3.	Adoption of Audited Financial Statements of the Company for the fin the Directors' and Auditors' thereon.  To appoint a Director in place of Mr. Sanjay Kumar Chowdhary (DIN-offers himself for re-appointment.  Appointment of Mr. Ajit Kumar Nath (DIN 08641824) as an Independent	nancial year ended 31st March, 08402623) who retires by rota dent Director of the Company.		For	
3.	Adoption of Audited Financial Statements of the Company for the fin the Directors' and Auditors' thereon.  To appoint a Director in place of Mr. Sanjay Kumar Chowdhary (DIN-offers himself for re-appointment.  Appointment of Mr. Ajit Kumar Nath (DIN 08641824) as an Independent of Mr. Appointment of Mr. Ajit Kumar Nath (DIN 08641824) as an Independent of Mr. Approval for Related Party Transactions	nancial year ended 31st March, 08402623) who retires by rotal dent Director of the Company. Whole Time Director: -		For	
3.	Adoption of Audited Financial Statements of the Company for the fin the Directors' and Auditors' thereon.  To appoint a Director in place of Mr. Sanjay Kumar Chowdhary (DIN-offers himself for re-appointment.  Appointment of Mr. Ajit Kumar Nath (DIN 08641824) as an Independence of the Approval for Related Party Transactions  Appointment of Mr. Sanjay Kumar Chowdhary (DIN-08402623) as a National Company of the	nancial year ended 31st March, 08402623) who retires by rotal dent Director of the Company. Whole Time Director: - o secure the borrowings		For	
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1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement